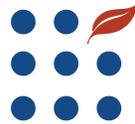




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Livestock, Dairy, and Poultry Outlook

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Meat Production in 2004 May Decline Fractionally

Red meat and poultry production in 2004 is expected to total about 84.4 billion pounds, down fractionally from this year and 1.5 percent below 2002. The continuing decline in red meat production due to reduced animal inventories will only be partially offset by increasing poultry production. Poultry production, with a much shorter biological cycle, is expected to respond to expected higher broiler prices in 2003 and 2004 than in 2002 and lower feed costs in 2004.

With red meat production below year-earlier levels and increasing exports, hog and cattle prices are expected to continue to register gains again in 2004. Both feeder and fed cattle prices are expected to increase due to continuing declining animal numbers. Broiler prices in 2003 and 2004 are expected to average about 5 cents above 2002's 55.6 cents per pound. Both broiler production and exports are expected to increase in 2004.

Meat and poultry exports are expected to increase 3-4 percent in 2004, compared with a likely 3-percent gain this year. All major meats are expected to post gains in both 2003 and 2004. However, beef exports this year will likely be up less than 1 percent. Imports of cattle and hogs are expected to decline in 2004 as grain production recovers from the drought-reduced crop last year. Due to the expected larger grain crop, more animals will be retained in Canada for feeding.

First projections of 2004 dairy markets show only a slight rebound from this year's very low prices. Large commercial stocks at the start of 2004 will buffer the price effects of slow growth in milk production and recovering sales.

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The next release is
June 17, 2003

Approved by the
World Agricultural
Outlook Board.

Forage Supplies Tight

Prices of other hays continued to rise sharply in April, reflecting the very tight supply of hay stocks and poor over-wintering conditions in the Northern Plains, the North Central region, and the western half of the country. But hay stocks were tight in most areas because of widespread drought in 2002. The farm price of other hay in April averaged nearly \$7 a ton above a year earlier.

However, hay stocks on May 1 were down only 1 percent from a year ago, due primarily to a 4-percent smaller hay crop in 2002. Disappearance between December 1, 2002 and May 1, 2003 was down 7 percent from a year earlier. Disappearance was down from the previous year despite unfavorable winter weather conditions in a number of areas and lingering drought in the central and northern Great Plains. Stocks were down sharply in Nebraska and South Dakota, while rising to near record levels in the southern Plains. Producers indicated in late March in the *Prospective Plantings* intentions to harvest 1 percent less hay acreage this year.

Herd Liquidation Continues, Dairy Cow Slaughter Up Sharply

Cattle inventories in early spring exhibit few signs of stabilizing and at this time suggest a major improvement in moisture/forage conditions this spring and summer will be necessary to even begin a movement toward female retention in 2004.

Cow slaughter remained large through April, with April beef cow slaughter up about 6 percent and dairy cow slaughter up about 16 percent. First-quarter beef and dairy cow slaughter rose 5 and 14 percent, respectively, both the largest since 1997. Second-half forage conditions will have to improve to provide any incentive to slow beef cow slaughter levels and to retain heifers from this year's calf crop for breeding in 2004. Dairy cow slaughter is likely to remain above year-earlier levels through next winter as the industry continues to adjust to lower milk prices, large numbers of replacement heifers entering the herd, and an increased number of producers leaving the industry. Beef cow slaughter is expected to decline below year-earlier

levels in late summer and fall if more normal forage conditions occur. Cow slaughter this fall and in 2004 is likely to drop well below levels of the past several years.

Feeder Cattle Supplies Up Marginally

Supplies of stocker/feeder cattle outside feedlots on April 1 were up 2 percent from a year earlier. Supplies have been held up due to reduced feedlot placements and larger net imports of feeder cattle. Net feeder cattle imports from Canada increased due to severe drought and reduced feed supplies there in 2001 and 2002. On-feed inventories on April 1 were down 8 percent from a year earlier and down 7 percent from 2 years ago. Net placements during the first quarter were down 2 percent from 2002. However, placements, largely off wheat pasture, appeared to have risen rapidly in April. This has been an excellent wheat-grazing year and apparently a larger acreage has been grazed out. The result has been large late winter-early spring placements at very heavy weights. Many of these cattle will be marketed by mid summer at heavy weights.

Weights Hold Down Production

Cattle feeders have done an excellent job keeping fed cattle marketings current. Strong demand, particularly for higher grading cattle, have kept prices \$5 to \$10 per hundredweight (cwt) above a year earlier. Slaughter weights, particularly for heifers, are sharply below the record levels of last year. Similar to the weather markets in 2001 and 1998, weights likely bottomed in April, but the rate of increase from these low levels will be slow until June. In both 2001 and 1998, weights rose only 3 to 4 pounds in May after hitting seasonal lows in April.

Although second-quarter production is expected to average near last year's level, slaughter levels have risen to offset the sharply lower slaughter weights. Weights are likely to approach last year's record level by mid-summer as heavy weight wheat-grazed cattle are marketed. Even as weights rise in late summer through fall, production will fall below year-earlier levels as feedlot inventories decline. Although placements this spring will

likely average near last spring's level, they will be heavily front loaded, with placements dropping off in late spring and for the next couple of years until inventories begin to rise, not likely before 2005.

Reduced feeder cattle imports from Canada, if crop/forage conditions continue to improve, will reverse the favorable net feeder cattle supply situation with Canada that has existed through early 2003. Some increase in feeder cattle exports from the Northwest region, relative to the low levels of the past couple of years, and likely more heifer retention, will tighten feeder cattle supplies following declining cattle inventories since 1996. Poor forage conditions, particularly since 1998 has ended each attempt by the industry to even begin a movement toward broad heifer retention.

Lower Slaughter Weights Result in Record Retail Prices

Declining slaughter weights and strong beef demand resulted in record retail beef prices in February and March. The record \$3.57 per pound set in March eclipsed February's \$3.48 record, which eclipsed the 2001 June record of \$3.476. Prices are expected to come off this pace in late spring as slaughter weights begin to rise and quality grades improve. In addition, consumers will make adjustments toward the relatively more favorable prices of pork and poultry. The weight declines and strong demand have forced prices to levels not expected until late this fall and into 2004, due largely to the very tight supply of Choice beef.

Low Cattle Inventory Holds Back Production In 2004

Cow slaughter is expected to drop sharply in 2004. Slaughter in 2001 through 2003 averaged near 5.75 million head each year. Slaughter is expected to drop to near 5.3 to 5.4 million head in 2004. Even if forage conditions improve, expansion may be slow as the industry will still be attempting to rebuild forage/grazing supplies and their financial base in 2004.

Beef production in 2004 is likely to decline 2 to 3 percent. Another shift toward record slaughter weights will partially offset declining slaughter levels, particularly female slaughter. An improving

forage base and another good grain harvest will be essential to support some shift toward herd expansion and heavier feeding weights. Recovery in the rate of economic growth in the U.S. and world markets will be essential to support strong beef prices and an improving export market.

Retail prices for Choice beef are expected to rise modestly in 2004 following a likely 4 to 5 percent jump this year. Fed cattle prices are expected to average near \$80 per cwt, up from this year's \$75 to \$77 per cwt average. Yearling feeder cattle prices are expected to rise in the second half of 2003 and move on into the low \$90s per cwt in late 2004 as heifer retention strengthens. Utility boning cow prices are likely to rise in the mid- to upper-\$40s as slaughter declines, and fed cattle slaughter weights rise increasing the demand for imported lean beef. World beef supplies are likely to continue to tighten, as droughts seem to be ending in Australia as well as the United States and Canada.

Beef Exports Limited by Slower Economic Growth and Continued BSE Concerns in Japan

Earlier optimism of beef exports soaring to a record in 2003 has been dampened by slower-than-expected world economic growth and lingering concerns about bovine spongiform encephalopathy (BSE) in Japan. Over the last 2 months, total U.S. beef exports have been revised downward by 105 million pounds--to 2.46 billion pounds. This current expectation is only marginally above last year's 2.45 billion-pound export level and slightly short of the record 2.47 billion pounds in 2000. Nevertheless, this year's near-record level is expected to occur in spite of total beef production anticipated to be 2-2.5 percent below production in the record export year. That exports can hold their own or increase in the face of declining production and temporary decreases in demand suggests that exports are likely to spike to record levels in 2004 as world economic growth picks up and BSE concerns abate.

The two most disappointing markets for beef exports are Mexico and Japan. Exports to Mexico are now expected to fall far short of last year's record, and Mexico is expected to lose its position

as the second largest U.S. beef export market to South Korea, from whom it had taken that position in 1997. While first-quarter exports to both Mexico and South Korea were significantly below year-earlier levels, exports to Korea are expected to improve for the rest of the year, helped by moderate, albeit slower economic growth. Consequently, U.S. beef exports to South Korea may exceed last year's level. Economic growth in Mexico, however, has slowed sharply since late last year as a result of the slowdown in growth of the U.S. economy, to which it is tightly bound. Moreover, the Mexican currency has lost 20 percent of its value against the U.S. dollar in the last 12 months. Slower economic growth in Mexico has reduced Mexican demand for beef while the depreciated currency has raised prices in terms of the Mexican peso. Exports of beef to Mexico are not expected to improve until the U.S. economy begins to accelerate later this year.

While first-quarter exports to Japan were 21 percent above last year's BSE-induced low level, they were below earlier expectations. Not only has the BSE-related consumption response been slower than expected, but deterioration of the already weakened Japanese economy has begun to affect the savings and job security of Japanese consumers, making them more cost-conscious. Statistics from Japan's *Agriculture and Livestock Industries Corporation* suggest that the rate of increase in beef consumption that was evident last fall has slowed. However, other statistics from the same source indicate that stocks have declined to their pre-BSE levels, which is favorable to imports. Beef exports to Japan are therefore not expected to return to their pre-BSE growth trajectory until well into 2004.

Beef Exports Expected To Increase Nearly 4 Percent in 2004

U.S. beef exports are expected to increase to a record 2.55 million pounds next year as concerns about BSE abate in Japan and improving world economic activity induces increased beef demand in most traditional markets. A return to higher economic growth is expected to especially help beef exports to Mexico, which is expected to vie with South Korea as the number two U.S. market next year. Higher U.S. beef prices are expected to

ration demand, however. One potential cloud on the horizon is the possible continuation or re-emergence of Sudden Acute Respiratory Syndrome (SARS), which is expected to contribute to reduced economic growth in some Asian countries this year, and could slow future economic growth.

Marginal Import Growth in 2003 Followed by Higher Growth in 2004

While first-quarter imports were 10 percent above the same period of 2002, nearly 40 percent were recorded in January and represent product ordered and placed under bond late last year in anticipation that reduced cow slaughter would create a greater need for imported manufacturing beef. Instead, the lack of forage as a result of continuing drought, and low milk prices and increased heifer replacement in the dairy industry induced a 9-percent increase in beef and dairy cow slaughter in the first quarter. Hence, 2003 began with record cold storage beef stocks. Although down 166 million pounds from the beginning of the year, cold storage stocks are still large and, with continued large cow slaughter, will help diminish the need for beef imports well into the second quarter.

Beef imports for the second quarter of 2003 are expected to be 3-4 percent below year-earlier levels as second-quarter cow slaughter increases 2-3 percent above the same period of last year. Meanwhile, declines in the carcass weight of all slaughter animals continue to reduce the amount of imported 90-percent lean trimmings needed to complement fed beef 50-percent fat trimmings. Finally, a relatively weak U.S. dollar also reduces the attractiveness of beef imports from Australia and New Zealand.

The situation will begin to change in the fourth quarter of 2003 as cow slaughter falls below year-earlier levels and imports increase by 1-2 percent. The market for processing beef will tighten significantly in the first quarter of 2004, when an 8-percent drop in cow slaughter is expected to induce a 10-percent increase in imports above year-earlier levels. Overall, reductions in cow slaughter next year are expected to result in record imports of 3.37 billion pounds, 4-5 percent above this year's level. Availability of imported product is expected to increase as a result of the re-entry of Uruguay into

the U.S. market now that it is again free of foot-and-mouth disease.

Weather and U.S. Demand for Feeder Cattle Dominate Live Cattle Trade in 2003 and 2004

The United States is expected to import a record 2.55 million live cattle in 2003, with about one-third of them expected to arrive in the fourth quarter as feeder cattle supplies decline cyclically and U.S. feeder cattle prices are expected to average in the low-\$90 per cwt range. Feeder cattle imports from Mexico were relatively light in the first quarter as prices averaged 3-4 percent below levels of a year ago, while imports from Canada were relatively high by historical standards because of a drought-induced shortage of feed grains in Canada. While prospects of a more normal grain crop might make keeping animals in Canada more attractive in the last half of this year, feeder cattle from both Canada and Mexico will be attracted to the increasingly tight U.S. feeder cattle market. Over half of live cattle imports this year will likely be feeder calves from Mexico.

Drought in Canada and the tight feeder cattle market in the United States will also limit U.S. feeder cattle exports to Canada. While up over last year's drought-induced low number, feeder cattle

exports to Canada are expected to be significantly below historical levels. Live cattle exports for 2003 will total about 275,000 head.

For 2004, trade in live cattle that could show up as beef products in retail meat cases after September 30 could be affected by the Country of Origin Labeling (COOL) law scheduled to become mandatory on retail meat products after that date. However, beef products that are exported, sold in restaurants, or used in processed products are exempt from the law. The exemption of a large amount of beef from COOL regulations reduces the uncertainty this law may have on cattle trade. More importantly, record feeder cattle prices and a return to normal weather in Canada are likely to be dominating influences on live cattle trade next year.

Feeder cattle prices are expected to average a record \$89-\$91 per cwt in 2004, over 4 percent higher than this year. While such higher prices will draw marginally more animals from Mexico, normal weather and higher feeder cattle prices in Canada are reasons to expect fewer imports of live animals from Canada. Overall, imports are expected to decline to 2.43 million animals in 2004, from 2.55 million in 2003. Higher feeder cattle prices are also expected to significantly reduce U.S. feeder cattle exports to Canada.

Total 2003 Hog Slaughter Estimate Increases Slightly on Higher April Slaughter

U.S. packers are expected to slaughter about 23.8 million hogs in the second quarter, slightly more than previously estimated. April slaughter, although larger than expected, will fall below year-ago levels for the first time this year. Slaughter for 2003 should come in at 99 million head, or, about 1.3 percent fewer hogs than in 2002. With higher dressed weights this year however, total pork production should be less than 1 percent below 2002. Second-quarter prices are expected to range between \$39 and \$41 per cwt (live equivalent, 51-52 percent lean). For 2003, hog prices should average about 11 percent higher than last year, or \$38.60 per cwt.

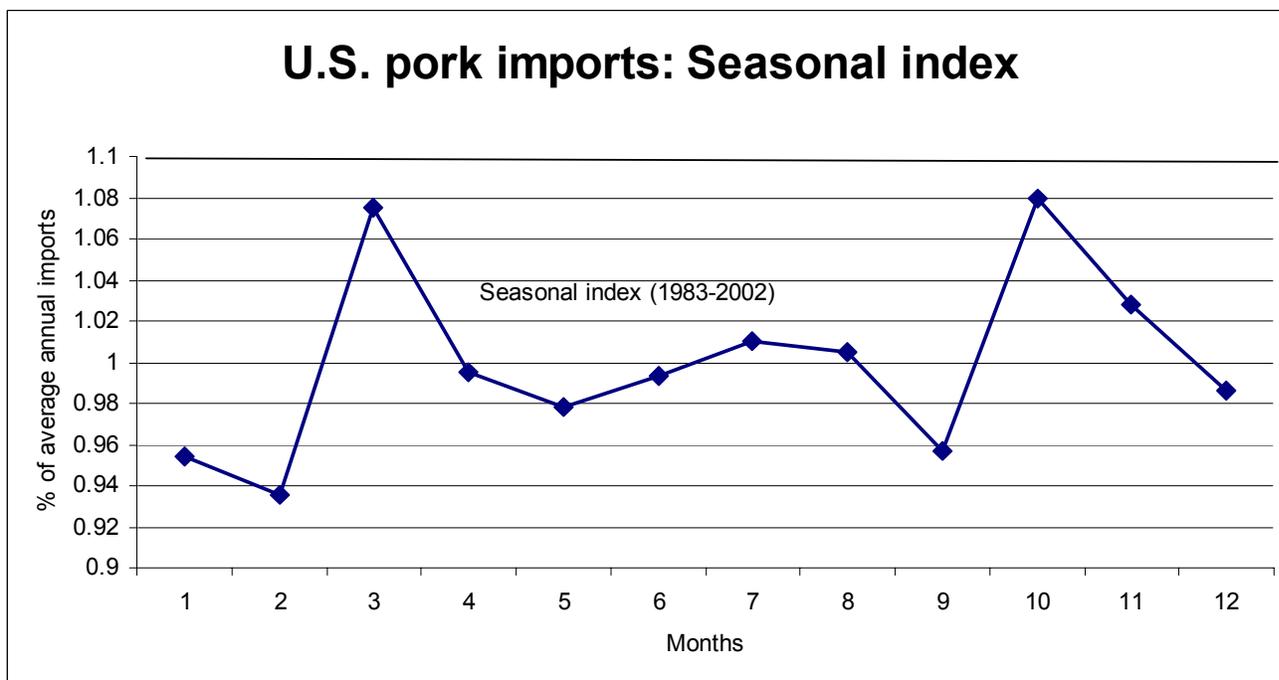
Lower Production and Higher Prices in 2004

The breeding herd reductions sustained by the U.S. pork industry since the June-August quarter of 2002 will gain traction in 2004. Pork production in

2004 is expected to be 1-2 percent lower than 2003, with per-cwt hog prices (live equivalent 51-52 percent lean) to average 11 percent higher than this year, at \$41-\$44 per cwt. The estimates depend on the assumption of normal weather conditions, particularly in the U.S. Corn Belt.

U.S. Pork Imports Up Sharply in the First Quarter of 2003

In the first quarters of 2003, the United States imported 289 million lb (carcass weight equivalent) of pork, versus 235 million lb a year ago—an increase of almost 23 percent. Pork imported into the United States comes mainly from Canada (more than 80 percent), and from Denmark (about 12 percent). While first-quarter imports are typically relatively high (see chart below), it is unusual to begin the calendar year with the increases seen so far this year. The early increase in pork exports is likely attributable to Easter demand, and expectations of continued depreciation of the U.S. dollar.



Adjustments to Low Dairy Prices Start Too Late To Help 2004

The very low prices of 2002 and 2003 probably will generate substantial adjustments in production and use of milk and dairy products. However, initial adjustments have been very slow to begin and quite modest, failing to develop much momentum. At this pace, considerable time will be needed for enough slowing in production and recovery in use to eat away the current surplus and commercial stocks. First projections of 2004 dairy markets show only a slight rebound from this year's very low prices.

Milk cow numbers are expected to start declining soon from their winter high. With ample replacement heifers now available, most of the earlier farm expansions probably have been brought up to capacity. Relatively few farms will be in a position to begin new expansions based on recent returns, and these farms may buy discounted existing units rather than build new ones. On the other hand, the exit of dairy farms due to low returns may be on the verge of picking up. Direct payments under the Milk Income Loss Contracts (MILC) have sufficiently augmented savings from 1998-2001 returns to enable many small producers to persist so far. However, the MILC payments can only offset a small share of the milk price drops and probably only delay, not forestall, exit of these farms.

By the start of 2004, milk cow numbers are projected to be about 1 percent below a year earlier, with declines widening to almost 2 percent for most of the year. These would be the largest decreases since the early nineties.

Concentrate feed prices are projected to ease in 2004, and milk-feed price ratios are expected to be a bit more favorable than in 2003, although still very low. A return to more normal culling, the renewed exit of farms with low herd averages, and a slightly less conservative approach to concentrate feeding should aid recovery in milk per cow growth. Output per cow is projected to rise more than 2 percent (on a daily average basis) in 2004, following generally weak performance during

2001-03. Adequate supplies of good forage will again be key to milk per cow prospects, because current stocks of dairy-quality forage probably are marginal.

The expected one-half percent rise in 2004 milk production would be far less than the 1.7-percent average during 1997-2002 and below normal growth in dairy product demand. Fractional increases in milk production have been somewhat unusual in recent years, with changes tending to either sizable increases or declines.

Dairy Demand Fails To Catch Fire

Commercial use of dairy products is expected to grow fairly briskly in 2004. The much lower prices should progressively stimulate sales, particularly in the restaurant and food processor markets. However, growth in dairy demand is not likely to fully recover from the 2002-03 slippage. Although the economy is expected to grow, there are a number of lingering weak spots and a seeming lack of vigor. Also, consumers evidently have shifted spending away from food.

Similar to adjustments in milk production, gains in dairy product sales have not developed much momentum. Increases in winter use appeared solid but were not very dramatic. Growth is not accelerating much and may be vulnerable to any significant strengthening in dairy prices. Considerably more robust demand, probably centered around cheese, likely would be needed during coming months to make much difference in 2004 prices.

Commercial stocks at the start of 2004 are projected to still be heavy, although probably not as large as during most of 2002 and early 2003. These stocks will buffer the price effects of slowing milk production and recovering sales. Similarly, the surplus of skim solids probably will be large enough to prevent any substantial increases in skim solids prices and to limit potential rises in cheese prices. However, the skim solids surplus is projected to fall to the lowest level since 1998. Meanwhile the surplus of milkfat is expected to be near this year's modest level.

In 2003, farm milk prices are expected to fall \$0.50 to \$1.00 from 2002's already low \$12.19 per cwt. Unless the pace of market adjustments accelerates

quickly in coming months, the recovery in 2004 farm milk prices does not seem likely to offset the 2003 decline, let alone the earlier drops.

Sheep and Lamb Outlook for 2004

Though the sheep inventory is still in decline, the rate of decline for 2004 is expected to slow. The decline in production of lamb and mutton in 2004 is also expected to slow. Offspring from lambs retained in 2003 are expected to be available for the market in 2004, slowing the rate of decrease of animals in the production chain.

Prices are expected to remain fairly strong at above \$80 per cwt in 2004. With the weakening of the U.S. dollar in 2003 relative to the Australia and New Zealand currencies, competition for the U.S. lamb market share is expected to be less intense, thereby maintaining fairly strong prices and slowing the rate of increase of lamb and mutton imports in 2004 compared with the average increases of the late 1990's.

Previous issues in the *Livestock, Dairy, and Poultry Outlook* series included an annual summary of the forces shaping the industry and how those forces were expected to affect the current year's outlook. Because timeliness was an issue, in 2003, instead of providing a separate report covering all the commodities later in the year, we are including summaries for the various commodities in the LDP monthly newsletter as information becomes available. In the March issue, we provided summaries for dairy, beef trade, and pork trade. The April issue contains summaries for the domestic beef, domestic pork, sheep, and poultry. Access these annual summaries on the *Livestock, Dairy, and Poultry Outlook* page, <http://www.ers.usda.gov/publications/ldp/>.

Broiler Production Down, Turkey Production Even in First-Quarter 2003

U.S. broiler production totaled 7.735 billion pounds in the first quarter of 2003, down 1.1 percent from a year earlier. The reduction was due to a 2.5-percent reduction in the number of birds being slaughtered. The reduction in the number of birds slaughtered was partially offset by a 1.2-percent increase in average bird weight at slaughter to 5.17 pounds. This pattern is expected to continue into the second quarter of 2003 with production forecast at 8.15 billion pounds, down 1 percent from the previous year. During April, the weekly broiler slaughter reported by the Agricultural Marketing Service (AMS) averaged around 3 percent lower than during the same weeks a year earlier. Again the decline was in the number of birds being slaughtered and was being somewhat offset by higher average bird weights. Other indicators pointing to lower future production are the weekly declines in the number of chicks placed for growout. Over the last 6 weeks (through April 30) the number of chicks being placed for growout has continued to average slightly less than 1 percent lower than in the same period the previous year. Broiler production for 2004 is forecast at 32.7 billion pounds, up only 1-2 percent from 2003 as large overall supplies of meat products (down from 2003, but still the third highest ever) and slow growth in the export market hold down growth in prices.

Turkey production totaled 1.379 billion pounds in first-quarter 2003, about even with the previous year (1.378 billion pounds in first-quarter 2002). The situation with turkey production was the opposite from broilers, with the overall number of birds going to slaughter increasing slightly, but the increase in bird numbers being completely offset by slightly lower average weights. During the fourth quarter of 2002 and the first quarter of 2003 the number of poultts being placed for growout has totaled 145.6 million birds, down 2.1 percent from the same period a year earlier. Turkey production for the second quarter is forecast at 1.425 billion pounds, down slightly more than 1 percent from

the previous year. Turkey production in 2004 is expected to reach 5.78 billion pounds, 1-2 percent higher than the previous year. With almost no growth expected in exports, per capita consumption of turkey is expected to reach almost 18 pounds in 2004.

Broiler Stocks Down, but Turkey Stocks Higher

Broiler stocks for the end of first-quarter 2003 were 641 million pounds, down 20 percent from 804 million pounds the previous year. Most of the decline came in lower holdings of broiler parts. At the end of the first quarter, stocks of broiler parts totaled 619 million pounds down 20 percent lower than a year earlier. Stocks of whole birds were also lower, falling to 23 million pounds or 22 percent lower than the previous year. With the lower stocks and anticipated lower production in the second quarter, broiler prices for a number of parts, especially those consumed chiefly in the domestic market, are expected to gradually strengthen.

Ending turkey stocks for the first quarter of 2003 were 533 million pounds, 16 percent higher than the previous year. There was a wide difference in the stock levels for whole birds and parts. Stocks of whole birds were down 3 percent from the previous year, while stocks of turkey parts totaled 318 million, up 35 percent from a year earlier. The stock levels were reflected in first-quarter prices, with prices for whole birds (toms and hens) averaging 2 percent higher, while the first-quarter prices for most turkey parts were lower than during the same period in 2002.

Broiler Export Forecast Lowered for 2003

The broiler export forecast for 2003 has been reduced to 5 billion pounds. This is a reduction of 125 million pounds from previous forecasts. The lower forecast is chiefly due to lowered projections for economic growth in a number of Asian countries and lower than expected exports to Mexico. The forecasts have already taken into account the import quotas to Russia that began on April 29 and assume that U.S. companies will

export the quota maximum and that most of the exports will be broiler products. The broiler export forecast for 2004 is 5.2 billion pounds, up 4 percent from the previous year. The growth is expected to

come from higher shipments to Asia. However, there still is some uncertainty about the level of broiler shipments that will be allowed into Russia during 2004.

Production Grows, but Exports Decline in 2002

U.S. poultry (broiler, turkey, and other chicken) production in 2002 reached 38.1 billion pounds on a net ready-to-cook (RTC) basis, up 3.2 percent from 2001. Domestic consumption increased 5.7 percent over 2001, absorbing the increased supplies available on the domestic market as exports fell by 13.6 percent. The decrease in exports was due mainly to lower broiler shipments, which were impacted by a ban over part of the year on exports to Russia and partial bans by other countries in response to disease outbreaks in the United States. For both broilers and turkey, falling exports also led to increases in stocks, placing downward pressure on prices.

In 2003, poultry production is expected to be down slightly from 2002. Total poultry exports are forecast to increase, but remain well below the record levels in 2001. Exports to Russia over the first half of 2003 are expected to rise compared with reduced levels of 2002. However, exports to Russia in the second half of the year will be limited by the quotas that have been placed on poultry imports.

Broiler Prices Down in 2002; But Expected To Be Higher in 2003

Federally inspected net broiler production rose 3.1 percent in 2002, to 31.9 billion pounds. However, production is expected to fall in 2003, with net broiler production expected to decline slightly from 2002. The increase in broiler production in 2002 was the result of a 1.6-percent increase in the number of birds slaughtered and a 1.5-percent increase in average bird weights.

The wholesale composite price for chicken fell by 9 percent in 2002, to 56.2 cents a pound, but the composite retail price for chicken rose by 2.5 percent. The decline in the wholesale composite price was primarily a reflection of lower prices for wings, drumsticks, and thighs as wholesale prices

The growth in the retail composite chicken price also reflects the relative strength of breast meat prices, as increases in breast meat prices offset declining prices for whole birds and legs.

Total U.S. broiler exports fell by 13.6 percent in 2002. The exports of 4.8 billion pounds accounted for about 15 percent of U.S. broiler production. Exports fell mainly because of the decrease in shipments to Russia, which totaled 1.5 billion pounds in 2002, down 34 percent from the previous year but still 32 percent of all U.S. broiler exports. The decrease was chiefly due to a ban that Russia had placed on imports of U.S. poultry for a portion of the year.

China and Hong Kong combined represent the second-largest market (16 percent) for U.S. broiler exports, totaling about 764 million pounds in 2002. In 2002, total broiler exports to Mexico amounted to 325 million pounds, a decrease of about 15 percent from 2001. Mexico remained the third largest market for U.S. broiler exports, but the economic slowdown that impacted the U.S. economy also impacted economic activity in Mexico. Other countries showing considerable growth in U.S. broiler imports were Korea, Guatemala, Haiti, and Cuba. Although trade regulations make exports to Cuba more difficult, broiler exports in 2002 totaled over 93 million pounds. Another interesting development was a 59-percent jump in exports to Angola. With total shipments of 105 million pounds in 2002, Angola was the ninth largest market in terms of volume.

Broiler exports are expected to increase by 4.2 percent in 2003. Although there is a quota on exports to Russia starting on May 1, total exports to Russia for 2003 are expected to be higher than in 2002. Mexico's reduction of its tariffs on many broiler products is also expected to boost shipments over the 2002 levels. With no new disease outbreaks, shipments are also expected to increase to the China/Hong Kong market and to Japan.

Russia Places Quota on Poultry Imports

Over the last several years Russia has become the key market for U.S. broiler exports. In 2001 broiler exports to Russia totaled 2.3 billion pounds or 41 percent of total U.S. exports and 7 percent of total U.S. broiler production. Starting May 1, 2003, Russia has placed a quota on imports of poultry products. The quota for May 1 through the end of 2003 will be 744,000 metric tons. Of this total the United States has been allocated 553,500 metric tons. However, 141,100 tons of the U.S. quota has been specifically put aside for imports of mechanically deboned meat (MDM). In 2002, 76 percent (521,000 metric tons) of all the U.S. broiler products shipped to Russia were frozen leg quarters. With the quota of 141,100 metric tons for MDM, this leaves only 412,300 metric tons for other products such as leg quarters. However, the 521,000 metric tons were shipped over a 12-month period.

Other markets have also been affected by various bans based on disease and food safety issues. On January 1, 2002, the Ukraine banned U.S. chicken imports, citing the use of antibiotics in U.S. broiler production and antimicrobial rinses in U.S. processing plants. The impact of the ban to the Ukraine has been hard to determine because poultry shipments have varied so widely from year to year. Exports to Japan (the fourth largest market by volume) were also interrupted by a series of bans on poultry product imports from specific U.S. States. These bans were based on outbreaks of low-pathogenic strains of Avian Influenza (AI). At different times, bans were enacted on poultry products from Pennsylvania, Maine, Virginia, West Virginia, North Carolina, and Texas.

Turkey: Exports and Prices Fall Again in 2002

U.S. turkey production in 2002 set another record, totaling 5.6 billion pounds (net RTC), 2.7 percent higher than the previous year. The increase was due to a higher number of turkey slaughtered and heavier average weights. The average wholesale whole-bird prices for hens in the East averaged 64.5 cents per pound, down 2.8 percent compared with 2001. Retail whole-bird prices also declined, dropping 4 percent. Most of the increase in

production came in the first half of the year, as production in the second half of 2002 was just over 1 percent higher than the previous year. Turkey production is expected to decrease slightly in 2003, and wholesale whole-bird prices are expected to increase 3-4 percent.

U.S. turkey exports in 2002 were 439 million pounds, down almost 10 percent from 2001. Exports accounted for about 8 percent of total production. The decrease in exports came mostly from lower shipments to Mexico. This was the second consecutive year that turkey exports had declined to Mexico, which is the largest market. Exports to Mexico were likely affected by the slowdown in its economy. Mexico imports mostly MDM and fresh and chilled turkey parts, which are used to produce sausages and other prepared meats. Adding to the decline were much lower shipments to Russia. The turkey exports to Russia were impacted by the ban on poultry imports that was in place for part of the year.

Eggs: Higher Production and Falling Exports Push Consumption Upward

Total U.S. egg production in 2002, table and hatching, totaled 7.2 billion dozen, about 1 percent more than 2001. Egg production is expected to increase only slightly in 2003. Table eggs accounted for 85 percent of total production in 2002, and are expected to maintain the same proportion in 2003. Hatching egg production declined slightly (less than a half of 1 percent), but is expected to rise slightly in 2003. The increase in 2003 is expected to come mostly from higher production of broiler-type eggs.

Wholesale table egg prices averaged 67.1 cents a dozen in 2002, almost exactly the same as in 2001. However, retail egg prices increased by 11 percent, widening the wholesale to retail spread by 48 percent. Retail egg prices had changed little over the previous several years. The wholesale egg market is a relatively thin market, where small changes in supply can have a large price impact.

Per capita egg consumption in 2002 rose slightly to 254.6 eggs, about one egg higher than the previous year. Since the mid-1990s, annual egg consumption

has jumped over 20 eggs per person. In large part this is due to increasing demand for breaking eggs by the commercial baking, confections, and fast food industries. Since 1996 the amount of eggs going to the breaking market has risen by about 25 percent and now uses about one-third of total table egg production. Wholesale egg prices in 2003 are expected to increase around 10 percent due to the slowing growth in production.

U.S. egg exports in 2002 were 174 million dozen, down 8 percent from the previous year and 2 percent of total U.S. egg production. Shell eggs

(for human consumption and hatching) accounted for almost half of total U.S. exports. Canada, Belgium, Hong Kong, Japan, and Mexico were the largest export markets, receiving nearly three-quarters of all U.S. egg exports. The 8-percent increase in exports to Belgium (due to a shortfall in European production) helped to partially offset a 26-percent decline in exports to Japan and a drop of 6 percent in shipments to Mexico. Exports to Canada were up 4.5 percent with shipments (47.4 million dozen) twice as large as those to any other country. U.S. egg exports in 2003 are expected to decline somewhat as EU egg production recovers.

Kenneth H. Mathews, Jr.

Despite differences in their effects on animals, a wide range of animal diseases have the potential to affect producers and consumers in some very similar ways. The common elements in potential effects from these diseases are declines in productivity or the destruction of infected animals, which can result in increased production costs, lost product market shares, higher food costs for consumers, and lost trade.

Many animal diseases are found in the United States and outbreaks occur occasionally. Examples include brucellosis, anthrax, rabies, bovine tuberculosis, low-pathogenic avian influenza, and, since 1999, West Nile virus. Some diseases like FMD, not confirmed in the United States since 1929, and bovine spongiform encephalopathy (BSE or "mad cow disease"), which has never been detected in the United States, remain threats because of the potential for their introduction and the potential each has for widespread adverse effects on production, the economy, and international trade.

Animal disease effects can range from barely-perceptible declines in the productive output of a few animals on a farm to widespread disease outbreaks where millions of animals are infected or destroyed to control a highly contagious disease. Initially, domestic meat supplies can increase because of restrictions on exports from the infected country. Later, because of international restrictions on exports, the number of animals destroyed during the outbreak may exceed the number of animals forced on the domestic market. Then, domestic meat supplies can decline and can lead to higher prices at retail meat markets. In addition, domestic transportation restrictions can lead to bottlenecks ranging from the inability to get market-ready livestock from the farm to processors and feed shortages to local gluts or shortages at retail outlets. Some livestock diseases and pathogens, like *E. coli* and *Salmonella*, whose effects on livestock production are relatively minor, can still have serious implications for humans. Some diseases, like BSE, can survive slaughter and food manufacturing processes and can lead to serious foodborne illnesses in humans. Other diseases, like FMD, do not affect the safety

of meat, yet this meat is not allowed into the food chain. In this case and despite indemnities, the destruction of livestock seriously affects producers' financial well-being.

In some cases, a disease may affect one species and not affect another at all, but because of the mode of disease transmission, meat from neither species is allowed to enter the human food supply. For example, if FMD were to occur in the United States, all cattle, pigs, and sheep in the vicinity of the disease outbreak would be affected by the disease and would be quarantined. Poultry are not susceptible to FMD, but because they can become carriers of the virus, those birds within quarantine areas could be destroyed along with other quarantined animals. Some diseases result in restrictions on movements or special sanitation-disinfection requirements for humans, vehicles used to transport humans, livestock feed, or livestock themselves. Other diseases are more specific, like END that affects poultry and some other bird species. END can result in poultry and poultry product restrictions, but does not result in constraints on uses of other livestock from a quarantined area. Finally, several animal diseases can cross species barriers, infecting both animals and humans. Examples include BSE, West Nile virus, tuberculosis, and brucellosis. Finally, livestock can function as carriers that, while not directly infected, can transmit diseases to humans, as with *E. coli* and *Salmonella*.

Periodic disease outbreaks in the United States and around the world can have significant effects on the producers involved, and in some cases, the effects have generated more widespread effects throughout the affected economies. For example, several countries, including the United States, restricted the importation of live cattle from the United Kingdom when BSE was first described in 1984. In 1991, the U.S. ban was extended to cattle and beef products. The announcement in 1996 of a possible connection between BSE and variant Creutzfeldt-Jakob disease, the fatal human variant of BSE, prompted a number of additional restrictions on, not only live animals, but on livestock products and livestock feed ingredients containing meat and bone meal. In the United

States, restrictions extend to imports from any country in which BSE is discovered or for which there is a high risk of BSE. The United Kingdom has slaughtered almost 6 million head of cattle based on approximately 180,000 confirmed cases of BSE since 1984. Total costs to the United Kingdom since the BSE outbreak began have been estimated at over \$5 billion. An FMD outbreak in 2001 that compounded effects from BSE has been estimated to have cost the United Kingdom economy approximately \$11.5 billion, primarily in lost production, trade, and tourism.

A second example is the Exotic Newcastle disease (END) that has been confirmed in backyard poultry flocks in the Southwestern United States, but only commercial poultry flocks in California have been infected. Almost 3.5 million birds have been destroyed. The outbreak has already had an impact on U.S. poultry trade with many countries. Most countries have banned poultry and poultry products from quarantined States. Some countries have banned poultry from an even wider area, including Mexico where END is endemic. The European Union, Guam, and Argentina initially went beyond

a regional ban by banning poultry and poultry products from all of the entire U.S. mainland. However, as of February 3, 2003, the European Union ban was revised to affect only poultry and poultry products from California, Nevada, and Arizona. Texas and New Mexico have since been added to the list. In 2002, total United States exports of poultry and poultry products amounted to about 14 percent of total production and were valued at about \$1.9 billion. Since END has been found only in backyard flocks and a few commercial laying flocks, the impact on poultry trade has been relatively minor. Poultry products can be moved through the quarantined area, but only if in sealed containers.

Increased international trade and travel, threats from bioterrorism, and the occurrence of new or more virulent strains of livestock diseases have increased the potential for outbreaks of these and other livestock diseases. Implications for human health and potential economic burdens throughout the economy have prompted increasing levels of surveillance and monitoring in the United States for many livestock diseases.

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Related Article

The following are links to recent articles (in Adobe Acrobat format).

Economic and Structural Relationships in U.S. Hog Production

<http://www.ers.usda.gov/publications/aer818/> The hog industry is becoming increasingly concentrated among fewer and larger farms, and becoming more economically efficient. Of paramount concern are increasing market control and power concentrated among packers and large hog operations, and the manure management problem posed by an increasing concentration of hog manure on fewer operations. Addressing these concerns through regulations would likely increase costs to consumers, and could result in significant changes in the location of hog production facilities, with ripple effects in local economies. [William D. McBride](#), (202) 694-5577 and [Nigel Key](#), (202) 694-5567).

Data

Retail Price Reporting for Meat

<http://www.ers.usda.gov/Data/Meatscanner/> A new ERS database contains monthly average retail prices for selected cuts of red meat and poultry, based on electronic supermarket scanner data. While not based on a random sample, the raw data underlying the database are from supermarkets across the United States that account for approximately 20 percent of U.S. supermarket sales. [Leland Southard](#), (202) 694-5187.

Web Sites

Cattle, <http://www.ers.usda.gov/briefing/cattle/>

Hogs, <http://www.ers.usda.gov/briefing/hogs/>

Poultry and Eggs, <http://www.ers.usda.gov/briefing/poultry/>

Dairy, <http://www.ers.usda.gov/briefing/dairy/>

WASDE, <http://www.usda.gov/oce/waob/wasde/latest.pdf>

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Red meat and poultry forecasts

	2002					2003					2004	
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	Annual
Production, million lb												
Beef	6,377	6,833	7,097	6,783	27,090	6,283	6,825	6,925	6,200	26,233	6,000	25,650
Pork	4,780	4,797	4,832	5,255	19,664	4,889	4,725	4,710	5,190	19,514	4,775	19,300
Lamb and mutton	58	54	51	56	219	49	52	50	52	203	50	198
Broilers	7,819	8,234	8,251	7,936	32,240	7,735	8,150	8,200	8,100	32,185	7,900	32,725
Turkeys	1,378	1,441	1,412	1,482	5,713	1,379	1,425	1,425	1,475	5,704	1,375	5,775
Total red meat & poultry	20,589	21,543	21,837	21,700	85,669	20,511	21,353	21,485	21,189	84,538	20,280	84,365
Table eggs, mil. doz.	1,506	1,518	1,551	1,573	6,148	1,511	1,520	1,555	1,580	6,166	1,520	6,205
Per capita consumption, retail lb 1/												
Beef	16.2	17.5	17.3	16.6	67.6	16.1	17.1	17.5	14.8	65.5	15.2	62.9
Pork	12.3	12.6	12.7	13.8	51.5	12.3	12.6	12.7	13.8	50.6	12.2	49.6
Lamb and mutton	0.3	0.3	0.3	0.3	1.2	0.3	0.3	0.3	0.3	1.1	0.3	1.1
Broilers	19.2	20.8	20.6	19.9	80.5	19.3	20.2	20.2	19.6	79.3	19.4	79.4
Turkeys	3.5	3.9	4.4	5.9	17.7	3.6	4.0	4.3	5.8	17.7	4.0	17.9
Total red meat & poultry	52.1	55.6	55.8	57.0	220.5	52.3	54.4	55.0	54.3	216.1	51.6	212.9
Eggs, number	62.4	62.6	64.0	64.6	253.7	62.2	62.3	63.5	64.4	252.3	61.6	250.9
Market prices												
Choice steers, Neb., \$/cwt	70.19	65.58	63.29	69.10	67.04	77.82	75-77	72-76	74-80	75-78	76-82	77-84
Feeder steers, Ok City, \$/cwt	81.24	76.96	78.87	83.08	80.04	78.38	82-84	86-90	88-94	83-87	85-91	86-92
Boning utility cows, S. Falls, \$/cwt	41.56	42.28	37.69	35.69	39.23	40.32	43-45	43-47	43-47	43-44	43-47	45-48
Choice slaughter lambs, San Angelo, \$/cwt	66.62	66.00	74.60	82.02	72.31	91.92	87-89	83-85	79-85	85-88	79-85	79-86
Barrows & gilts, N. base, l.e. \$/cwt	39.43	35.03	33.86	31.34	34.92	35.38	39-41	40-42	36-40	38-39	39-43	41-44
Broilers, 12 City, cents/lb	56.00	56.10	56.40	53.70	55.60	60.30	59-61	59-63	60-64	60-62	57-61	58-63
Turkeys, Eastern, cents/lb	60.00	62.90	66.70	68.20	64.50	61.10	61-63	64-68	69-75	64-67	59-63	64-69
Eggs, New York, cents/doz.	69.10	58.40	65.30	75.40	67.10	77.20	68-70	68-72	77-83	72-76	72-78	65-70
U.S. trade, million lb												
Beef & veal exports	572	601	662	612	2,447	585	635	630	610	2,460	600	2,550
Beef & veal imports	737	934	839	708	3,218	775	900	835	720	3,230	850	3,365
Lamb and mutton imports	48	44	32	38	162	39	43	36	42	160	44	167
Pork exports	382	416	401	415	1,614	405	425	400	430	1,660	405	1,695
Pork imports	235	262	275	299	1,071	275	285	285	300	1,145	300	1,200
Broiler exports	1,204	1,119	1,257	1,219	4,800	1,250	1,200	1,250	1,300	5,000	1,250	5,200
Turkey exports	129	107	100	103	439	115	110	115	130	470	115	830

1/ Per capita meat and egg consumption data are revised, incorporating a new population series from the Commerce Department's Bureau of Economic Analysis based on the 2000 Census.

ECONOMIC INDICATOR FORECASTS ^{1/}

	2001		2002					2003				
	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
GDP, chain wtd (bil. 1996 dol.)	9,248	9,215	9,363	9,388	9,465	9,503	9,436	9,554	9,619	9,701	9,786	9,672
CPI-U, annual rate (pct.)	-0.4	1.9	1.4	3.4	1.9	2.4	2.3	2.5	2.1	2.0	2.2	2.2
Unemployment (pct.)	5.6	4.8	5.6	5.9	5.7	5.9	5.8	6.0	6.0	5.9	5.7	5.9
Interest (pct.)												
3-month Treasury bill	1.9	3.4	1.7	1.7	1.6	1.3	1.6	1.2	1.3	1.5	1.8	1.4
10-year Treasury bond yield	4.8	5.0	5.1	5.1	4.3	4.0	4.6	4.0	4.2	4.4	4.6	4.3

1/ Source: Survey of Professional Forecasters, Philadelphia Federal Reserve Bank, February 2003.

DAIRY FORECASTS

	2002					2003					2004	
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	Annual
Milk cows (thous.)	9,112	9,149	9,153	9,148	9,141	9,155	9,130	9,090	9,060	9,110	9,010	8,950
Milk per cow (pounds)	4,653	4,811	4,566	4,543	18,573	4,692	4,860	4,620	4,645	18,815	4,860	19,305
Milk production (bil. pounds)	42.4	44.0	41.8	41.6	169.8	43.0	44.4	42.0	42.1	171.4	43.8	172.8
Commercial use (bil. pounds)												
milkfat basis	40.7	42.2	43.8	43.9	170.5	41.4	43.5	44.2	44.9	174.0	42.7	177.7
skim solids basis	39.3	40.6	42.3	41.2	163.4	40.1	41.5	42.8	42.2	166.6	41.5	171.8
Net removals (bil. pounds)												
milkfat basis	0.1	0.1	0.1	0.1	0.3	0.3	0.4	0.5	0.1	1.3	0.4	1.3
skim solids basis	2.7	3.5	2.1	1.5	9.8	3.1	2.9	1.4	1.3	8.7	1.7	5.1
Prices (dol./cwt)												
All milk ^{1/}	13.07	12.10	11.37	11.93	12.12	11.37	10.65	10.80	11.65	11.10	11.15	11.15
							-10.95	-11.40	-12.55	-11.60	-12.15	-12.15
Class III	11.38	10.59	9.59	10.10	10.42	9.52	9.45	9.70	10.15	9.70	9.50	9.85
							-9.75	-10.30	-11.05	-10.20	-10.50	-10.85
Class IV	11.08	10.73	10.36	10.52	10.81	9.89	9.55	9.70	9.85	9.70	9.40	9.60
							-9.95	-10.40	-10.85	-10.30	-10.50	-10.70

1/ Simple averages of monthly prices. May not match reported annual averages.

PRODUCTION INDICATORS

	Apr. '2002	2003		
		Feb.	Mar. 1,000 Head	Apr. /*
Cattle:				
On feed - US, 1,000+ Hd.	11,577	10,660	10,526	10,703
Net placements	1,370	1,581	1,975	1,807
Marketings	1,996	1,715	1,798	1,985
Broilers:				
Eggs in incubators (000) /1	646,301	629,525	630,187	637,759
Chicks hatched (000) /2	765,415	694,590	778,500	761,145
Hatching egg layers /1	58,015	56,314	57,335	57,275
Pullets placed (000)	6,814	6,659	6,675	6,720
Hvy-type hen slaughter /2	5,858	5,386	5,593	5,510
Turkeys:				
Eggs in incubators (000) /1	32,733	30,695	31,271	31,951
Poults placed (000)	26,184	23,833	26,000	24,862
Eggs:				
Table egg prod. (mil. doz.) /2	501.3	469.1	530.0	503.8
Table egg layers, (000) /1	276,756	279,044	277,689	277,332
Table eggs/100 layers /1	73.6	72.3	72.1	73.2
Chicks hatched (000) /2	38,088	29,988	36,350	37,531
Lt.-type hen slaughter /2	9,630	6,815	6,963	9,190

ESTIMATED RETURNS

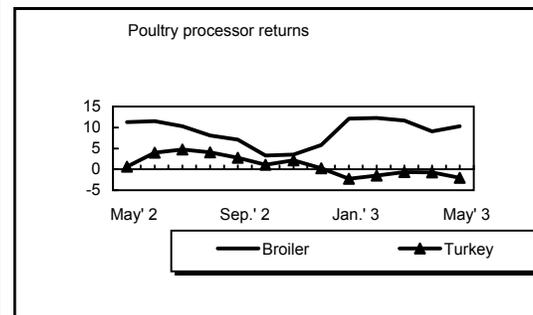
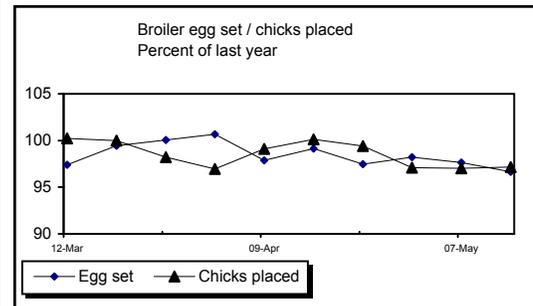
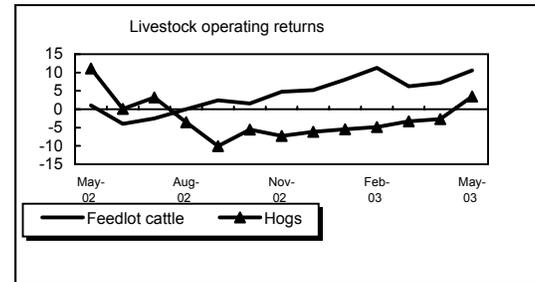
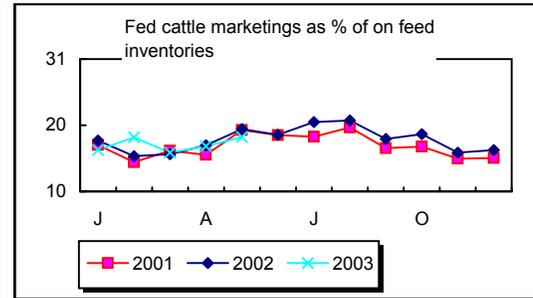
	May '2002	2003		
		Mar.	Apr. Cents/lb	May /*
Great Plains cattle feedlot				
Breakeven price /3		71.07	71.75	68.40
Selling price	70.91	77.34	78.98	79.00
Net margin	-5.42	6.27	7.23	10.60
N. Central hog farrow to finish				
Breakeven price /3		39.44	39.15	39.52
Selling price	36.40	36.11	36.42	43.00
Net margin	-1.68	-3.33	-2.73	3.48
Broiler				
Wholesale cost	46.95	48.34	48.72	48.67
Wholesale price	56.42	60.02	57.78	58.95
Net margin	9.47	11.68	9.06	10.28
Turkey				
Wholesale cost	58.04	60.41	60.63	61.29
Wholesale price	60.61	59.72	59.90	59.25
Net margin	2.57	-0.69	-0.73	-2.04
Egg				
Wholesale cost	63.22	66.30	66.24	66.82
Wholesale price	55.79	80.00	74.70	65.00
Net margin	-7.43	13.70	8.46	-1.82

/1 First of month.

/2 Last month estimated.

/3 Does not include capital replacement cost.

/* estimate.



MEAT STATISTICS

	Jan. -	Jan. -	2003					/*
	May 2002	May 2003	Jan.	Feb.	Mar.	Apr.	May	
Commercial production			<i>Million pounds</i>					
Beef	10,908	10,856	2,292	1,944	2,051	2,153	2,416	
Veal	78	82	18	16	17	16	16	
Pork	8,098	8,098	1,749	1,521	1,619	1,657	1,552	
Lamb	96	84	16	15	18	19	15	
Total red meat	19,180	19,120	4,075	3,496	3,705	3,845	3,999	
Broilers	13,465	13,341	2,775	2,410	2,550	2,725	2,881	
Other chicken	225	213	45	39	41	45	43	
Turkeys	2,366	2,441	480	431	468	526	537	
Total poultry	16,057	15,995	3,300	2,880	3,060	3,296	3,460	
Total meat & poultry	35,237	35,115	7,375	6,376	6,764	7,141	7,459	

	Jan. -	Jan. -	2003					/*
	May 2002	May 2003	Jan.	Feb.	Mar.	Apr.	May	
Commercial slaughter/**			<i>Thousand head</i>					
Cattle	14,506	14,641	3,007	2,570	2,775	2,966	3,323	
Steers	7,155	7,196	1,411	1,219	1,332	1,522	1,712	
Heifers	4,789	4,648	987	849	890	892	1,030	
Beef cows	1,231	1,295	284	229	249	257	276	
Dairy cows	1,078	1,248	273	228	255	243	249	
Bulls and stags	254	254	52	45	49	52	56	
Calves	398	417	94	83	85	79	76	
Sheep	1,405	1,242	239	224	264	296	219	
Hogs	40,897	40,753	8,788	7,680	8,152	8,334	7,800	
Barrows & gilts	39,500	39,367	8,498	7,431	7,863	8,048	7,527	
Sows	1,279	1,287	268	230	267	265	257	
Broilers	3,577,280	3,501,107	725,193	632,117	673,097	720,000	750,700	
Turkeys	110,104	111,862	21,661	20,153	21,618	23,870	24,560	

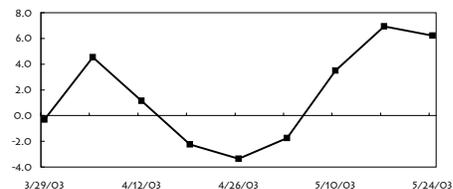
	May 2002	2003					/*
		Jan.	Feb.	Mar.	Apr.	May	
F.I. dressed weight		<i>Pounds</i>					
Cattle	749	769	764	745	731	733	
Calves	202	191	195	195	205	207	
Sheep	69	68	68	70	67	68	
Hogs	199	200	199	200	200	200	

	May 2002	2003					/*
		Jan.	Feb.	Mar.	Apr.	May	
Beginning cold storage stocks		<i>Million pounds</i>					
Beef	405.7	524.6	482.7	442.1	403.1	388.3	
Pork	567.7	468.5	512.9	519.7	530.5	519.4	
Bellies	63.3	28.3	35.4	38.3	43.0	48.3	
Hams	99.8	59.6	79.5	89.2	90.9	91.3	
Total chicken	852.4	768.1	723.2	675.4	642.0	719.3	
Turkey	515.2	333.0	423.1	468.9	539.1	573.2	
Frozen eggs	10.2	13.5	15.3	17.1	17.0	15.7	

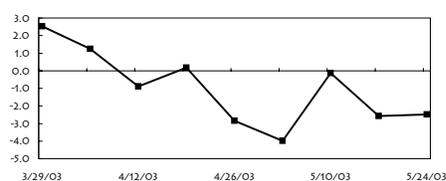
/* Estimates with exception of Cold Storage.

** Slaughter classes are estimated.

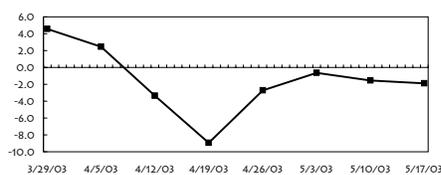
WEEKLY CATTLE SLAUGHTER
PERCENT CHANGE FROM LAST YEAR



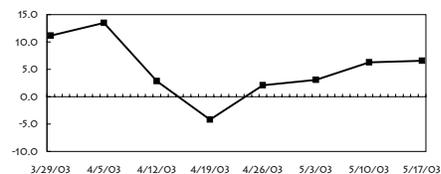
WEEKLY HOG SLAUGHTER
PERCENT CHANGE FROM LAST YEAR



WEEKLY BROILER SLAUGHTER
PERCENT CHANGE FROM LAST YEAR



WEEKLY TURKEY SLAUGHTER
PERCENT CHANGE FROM LAST YEAR



LIVESTOCK PRICES

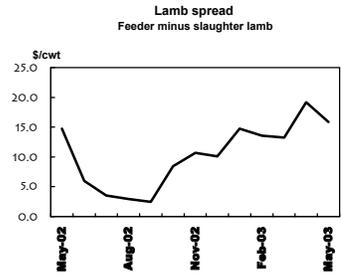
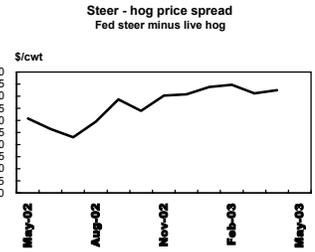
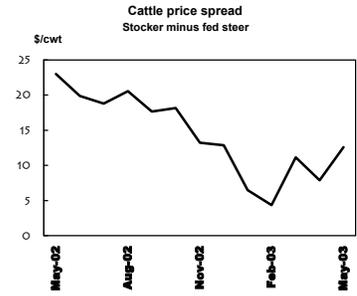
	2002	2003					/*
	May	Jan.	Feb.	Mar.	Apr.	May	
Cattle prices							
Steers, Choice, 11-13 cwt			\$/cwt				
Texas Panhandle	65.49	78.24	80.39	77.34	78.98	79.00	
Nebraska Direct	65.32	77.18	78.77	77.52	79.11	79.40	
Cows - Sioux Falls							
Utility breaking	44.30	40.45	42.56	43.00	46.80	49.50	
Utility boning	42.45	39.20	40.25	42.13	45.20	47.90	
Feeder Cattle - Oklahoma City							
Steers: Med. #1							
500-550 lb	95.99	97.26	97.83	97.94	97.20	99.15	
600-650 lb	88.49	84.70	84.74	88.49	86.87	91.60	
750-800 lb	76.73	80.97	78.16	76.32	79.15	82.10	
Heifers: Med. #1							
450-500 lb	88.62	86.47	89.77	93.12	90.84	92.15	
700-750 lb	73.68	78.92	75.18	74.06	75.52	79.05	
Hog prices							
Barrows and gilts							
National base 51-52% lean (live equivalent = carcass x .74)	34.72	34.39	35.64	36.11	36.42	43.00	
Sows							
Iowa-S. Minn. #1-2, 300-400 lb	25.41	21.80	23.27	24.07	25.47	30.00	
Sheep & lamb prices							
San Angelo, TX							
Slaughter lambs, Choice	64.06	89.25	90.25	96.25	88.13	92.00	
Ewes, Good	38.00	47.38	48.50	48.69	38.81	38.25	
Feeder lambs, Choice	78.83	104.00	103.81	109.50	107.31	107.85	

GRAIN AND FEED PRICES

	2002	2003					/*
	May	Jan.	Feb.	Mar.	Apr.	May	
Corn, #2 Yellow, Cen. Ill	1.96	2.29	\$/bu				2.35
Wheat, HRW Ord., K.C.	3.14	4.01	4.03	3.75	3.73	3.73	
\$/ton							
SBM, 48% Solvent, Decatur	164.28	167.40	176.76	175.40	182.10	182.25	
Alfalfa Hay, U.S. Avg.	108.00	97.60	96.40	96.20	96.20	N/A	
Grass Hay, U.S. Avg.	79.20	79.60	79.40	82.30	86.40	N/A	

/* Estimates

Livestock, Dairy, and Poultry Situation and Outlook



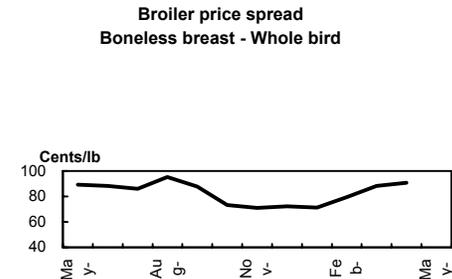
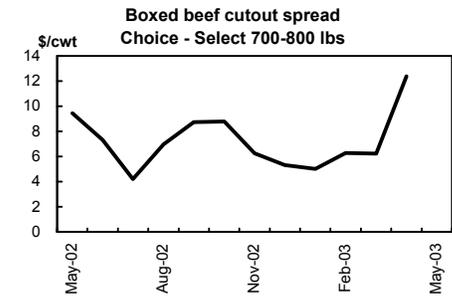
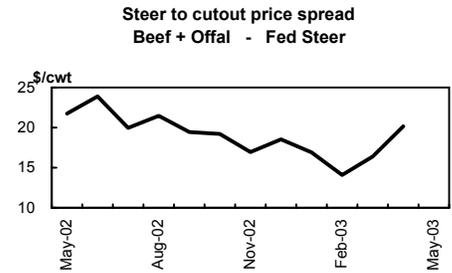
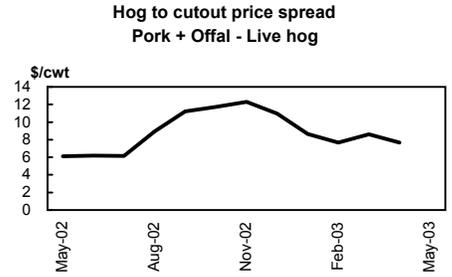
WHOLESALE PRICES

	2002		2003				/*
	May	Jan.	Feb.	Mar.	Apr.	May	
Beef, Central U.S.							
Boxed beef cutout			\$/cwt				
Choice 1-3 550-700 lb	115.14	128.59	128.77	126.35	133.03	140.80	
Choice 1-3 700-850 lb	115.60	127.94	127.69	126.02	133.38	141.00	
Select 1-3 700-850 lb	106.16	122.92	121.41	119.78	121.01	122.90	
Canner-Cutter Cows	N/A	N/A	N/A	N/A	N/A	N/A	
Bnls. beef, 90% fresh	115.90	112.54	110.89	110.82	102.77	110.65	
Importd bnls. beef 90% frz.	107.23	100.93	98.43	97.82	93.72	90.40	
Hide & offal value	7.29	7.86	8.01	8.10	8.12	7.79	
Veal carcass, 220-280 lb	N/A	N/A	N/A	N/A	N/A	N/A	
Pork, Central U.S.							
Pork cutout composite	51.09	52.89	53.50	55.08	54.57	61.00	
Loins, 14-19 lb Bl 1/4" trim	101.71	91.83	95.75	92.43	96.90	107.00	
Bellies, 12-14 lb skin on trmd.	58.65	78.02	79.54	85.80	84.94	94.00	
Hams, 20-23 lb Bl trmd. TS1	33.10	40.82	40.70	44.15	37.49	40.00	
Trimnings, 72% fresh	24.74	32.78	32.11	32.03	36.96	43.00	
Lamb, East Coast							
55 lb Down, Choice	N/A	N/A	N/A	N/A	N/A	N/A	
55-65 lb, Choice	144.37	164.62	174.05	192.04	193.51	197.90	
cents/lb							
Broilers							
12 City Avg.	56.42	60.46	60.49	60.02	57.78	58.95	
Georgia dock	62.25	61.26	61.91	62.61	62.38	62.85	
<i>Northeast</i>							
Breast, boneless	145.71	131.64	139.98	148.20	148.60	158.50	
Breast, Ribs on	83.93	78.16	88.80	86.11	84.20	91.75	
Legs, whole	35.90	30.83	30.54	33.04	30.35	33.25	
Leg quarters	20.47	18.90	21.09	20.96	20.82	23.25	
Turkeys							
<i>Eastern region</i>							
Toms, 16-24 lb	58.09	58.36	58.63	58.45	58.89	58.50	
Hens, 8-16 lb	63.52	61.04	61.13	61.24	61.43	62.50	
Breast, 4-8 lb	98.47	95.15	94.25	92.02	90.00	89.10	
Drumsticks	25.30	17.99	18.31	22.84	20.30	19.50	
Wings, full cut	23.36	18.57	16.09	16.62	14.81	56.00	
Eggs, grd A, lg, doz							
12 City Metro	55.79	67.85	65.92	70.81	70.22	56.00	
New York	53.32	77.43	74.05	80.00	77.09	65.00	

/* Estimates.

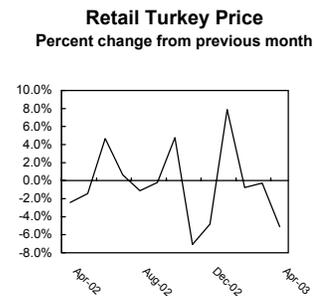
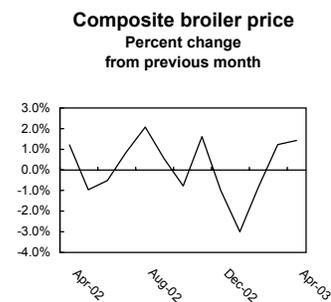
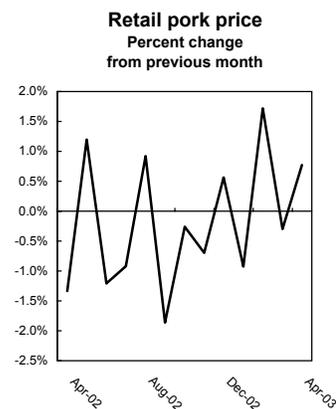
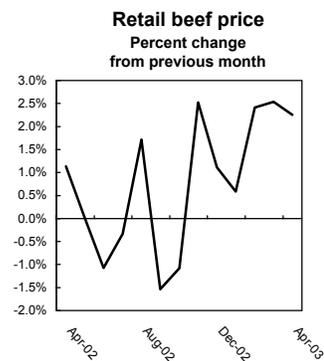
Source: Agricultural Marketing Service.

Livestock, Dairy and Poultry Situation and Outlook



RETAIL PRICES & SPREADS

	Nov-2002	Dec-2002	Jan-2003	Feb-2003	Mar-2003	Apr-2003
Retail prices						
	<i>Cents/lb</i>					
Beef - Choice	334.0	337.8	339.7	348.0	356.8	364.8
Beef - All fresh	305.6	307.4	308.6	315.7	319.4	318.9
Ground beef	172.1	169.3	172.2	177.8	185.8	185.5
Round roast	317.1	319.8	336.2	325.9	327.3	340.2
T-bone steak	NA	NA	NA	NA	NA	NA
Pork	259.1	260.6	258.2	262.6	261.8	263.8
Bacon	321.1	324.2	319.5	328.1	321.6	328.7
Chops	317.6	332.3	322.8	330.2	328.7	339.3
Sausage	0.0	0.0	0.0	NA	NA	NA
Broilers - Composite	165.9	164.2	159.3	158.0	159.9	162.2
Whole, fresh	104.4	104.8	100.4	103.1	104.9	105.3
Breast - bone in	235.9	232.7	226.0	223.6	224.7	229.3
Leg - bone in	128.5	127.5	123.8	122.3	124.9	125.9
Turkey; whole frozen	103.8	98.8	106.6	105.8	105.5	100.1
Eggs, Gr A, Lg, Doz	108.0	117.6	117.5	118.9	120.9	113.1
Price indexes						
	<i>1982-84=100</i>					
CPI - All	181.3	180.9	181.7	183.1	184.2	183.8
All food	176.8	177.3	177.5	178.3	178.6	178.4
All meat	159.7	160.3	159.5	162.3	163.6	164.1
Beef & veal	160.3	161.1	161.3	166.6	168.6	169.1
Pork	159.1	159.2	159.8	161.8	160.6	159.5
Poultry	168.1	166.6	165.4	167.2	167.6	168.2
Price Spreads						
	<i>Cents / retail lb</i>					
Beef						
Farm to wholesale	31.8	34.5	32.1	27.9	30.7	36.3
Wholesale to retail	151.9	146.7	139.4	147.1	159.7	157.6
Farmers share (%)	45	46	50	50	47	47
Pork						
Farm to wholesale	43.6	41.8	41.1	38.3	38.3	37.4
Wholesale to retail	162.6	161.6	156.2	161.2	159.7	162.0
Farmers share (%)	20	22	24	24	24	24
Poultry and eggs						
Wholesale to retail						
Broilers	113.5	113.5	103.7	97.3	99.3	102.6
Retail to consumer						
Turkey	29.8	24.6	38.4	37.6	36.8	31.2
Eggs Cents/doz	23.3	38.5	39.0	45.7	41.9	39.4



Sources: Economic Research Service, USDA and Bureau of Labor Statistics, U.S. Department of Labor.

Cumulative U.S. livestock & meat trade

	2001	2002	Jan. - Mar-2002	Jan. - Mar-2003		2001	2002	Jan. - Mar-2002	Jan. - Mar-2003
Beef & veal imports					Pork imports				
	<i>Carcass wt., 1,000 lb</i>					<i>Carcass wt., 1,000 lb</i>			
Australia	1,151,858	1,136,804	264,641	267,842	Canada	766,043	880,205	193,378	234,550
New Zealand	637,372	604,046	128,858	175,430	Denmark	120,106	123,013	27,811	38,732
Canada	987,073	1,090,909	253,227	271,795	Poland	23,976	24,420	4,798	5,545
Brazil	163,556	200,785	41,616	43,279	Netherlands	8,433	6,730	1,772	1,533
Argentina	99,708	85,349	19,565	18,516	Hungary	6,814	4,806	886	1,465
Central America	70,103	68,208	20,688	24,848	Other	25,372	31,809	6,429	7,409
Uruguay	41,109	14,095	3,563	4,673	Total	950,745	1,070,983	235,074	289,234
Mexico	12,166	16,707	4,338	3,508					
Other	411	756	411	155					
Total	3,163,356	3,217,658	736,906	810,045					
Beef & veal exports					Pork exports				
Japan	1,004,062	770,919	181,422	219,878	Japan	742,222	776,168	192,843	210,012
Canada	233,291	240,543	60,917	64,115	Canada	186,234	189,601	51,851	42,469
Mexico	531,972	629,041	132,083	119,083	Mexico	318,480	313,832	80,975	67,263
South Korea	345,518	597,259	151,833	132,808	Russia	82,327	41,397	8,703	5,905
Caribbean	22,337	22,980	5,211	5,043	South Korea	38,685	70,836	11,168	26,355
Russia	7,400	17,388	1,378	2,768	Hong Kong	27,612	28,467	6,418	8,104
Other	124,703	169,190	39,253	40,971	Caribbean	23,503	20,343	3,946	3,441
Total	2,269,283	2,447,320	572,097	584,666	Other	140,397	173,426	25,760	49,597
					Total	1,559,459	1,614,069	381,664	413,147
Cattle imports					Hog imports				
	<i>Head</i>					<i>Head</i>			
Mexico	1,130,168	816,460	393,031	288,334	Canada	5,337,688	5,740,673	1,451,860	1,502,493
Canada	1,306,185	1,686,508	392,523	341,969	Under 110 lb	3,163,962	3,758,482	902,128	1,075,991
Over 700 lb	1,143,181	1,259,534	312,185	297,239	Total	5,337,688	5,741,275	1,451,860	1,502,493
440-700 lb	45,679	221,782	47,768	7,882					
Total	2,436,715	2,502,973	785,559	630,303	Hog exports				
					Total	64,049	206,196	41,812	33,658
Cattle exports					Broiler exports				
Mexico	143,769	104,573	31,445	9,765		<i>Ready to cook, 1,000 lb</i>			
Canada	297,622	134,215	41,713	27,663	Japan	234,974	120,682	21,667	20,254
Total	448,443	242,943	73,401	38,246	Mexico	380,727	324,523	108,466	74,004
					Hong Kong	744,961	607,500	166,375	122,041
Lamb imports									
	<i>Carcass wt., 1,000 lb</i>				Singapore	49,165	37,475	10,040	8,928
Australia	67,785	68,098	20,409	16,806	Canada	177,057	191,310	37,932	42,762
New Zealand	39,576	48,508	11,580	14,259	Russia	2,303,921	1,521,102	522,996	410,060
Total	108,215	117,014	32,062	31,175	Latvia	97,703	78,437	10,788	9,777
					Other	1,566,777	1,918,510	325,542	511,960
Mutton imports					Total	5,555,285	4,799,540	1,203,806	1,199,787
Total	37,511	43,442	16,398	8,516	Turkey exports				
					Mexico	219,941	186,286	65,866	44,507
Lamb and mutton exports					Canada	11,311	14,445	2,392	3,626
Total	6,511	7,101	1,309	1,982	South Korea	16,852	12,990	3,019	3,116
					Russia	80,719	29,026	17,637	4,334
Customs Service (beef/veal)					Hong Kong	36,034	70,199	17,787	13,276
	<i>Product wt., metric tons</i>				Other	122,142	125,756	22,019	33,917
YTD imports under WTO:		04/29/02	04/28/03	% of quota	Total	486,999	438,702	128,721	102,775
Canada		119,906	122,293	NA	Shell egg exports				
Mexico		1,292	1,013	NA		<i>1,000 doz.</i>			
TRQ countries		164,044	171,566	25	Canada	32,279	30,506	3,990	3,996
Australia		102,137	95,668	25	Japan	3,026	2,256	184	104
New Zealand		53,427	65,925	31	Other	55,750	55,937	14,185	20,748
Argentina		-	-	-	Total	91,055	88,699	18,359	24,849
Uruguay		-	-	-					
Japan		-	-	-					
Other		8,480	9,974	15					
Total		285,242	294,872	NA					

Sources: Economic Research Service, USDA and Census Bureau, U.S. Department of Commerce.

Monthly U.S. livestock and meat trade **

	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03
Beef & veal imports	Carcass wt., 1,000 lb												
Australia	83,663	122,773	122,777	97,827	128,045	92,338	82,637	69,385	96,785	59,596	151,202	40,579	76,061
New Zealand	49,112	69,641	73,965	82,766	70,219	39,799	26,943	24,537	26,136	61,182	42,350	60,516	72,565
Canada	90,095	85,314	92,671	108,664	96,857	100,784	89,745	95,414	87,608	80,625	91,888	85,015	94,892
Brazil	18,146	17,060	13,041	13,521	23,312	19,340	21,233	12,581	22,494	16,587	14,443	13,019	15,816
Argentina	7,234	4,059	4,340	4,613	7,757	8,663	8,110	10,107	7,443	10,694	8,737	4,601	5,178
Central America	7,565	4,862	6,030	2,301	2,043	5,933	6,547	6,038	6,381	7,386	5,835	10,422	8,591
Uruguay	2,243	645	808	1,274	2,031	1,434	1,272	611	857	1,600	2,249	924	1,500
Mexico	1,650	1,717	1,844	1,649	1,351	1,086	1,143	1,131	1,197	1,251	1,318	957	1,233
Other	393	73	10	4	4	7	5	228	8	6	3	67	86
Total	260,100	306,144	315,485	312,619	331,619	269,384	237,634	220,030	248,909	238,927	318,024	216,100	275,921
Beef & veal exports													
Japan	61,878	56,235	68,128	62,766	72,093	76,571	63,411	42,168	80,441	67,684	71,018	73,320	75,540
Canada	18,602	16,073	22,489	18,272	18,490	17,721	18,614	22,533	22,307	23,127	21,495	20,112	22,508
Mexico	41,963	51,641	59,019	55,152	61,058	52,934	61,149	56,393	39,496	60,117	45,621	36,125	37,337
Korea, Rep.	47,895	40,342	48,543	49,983	53,354	55,020	55,756	29,276	59,929	53,222	42,420	46,072	44,316
Caribbean	1,874	2,091	1,777	1,522	1,947	2,372	1,877	2,040	1,463	2,679	1,662	1,590	1,792
Russia	505	3,405	2,488	2,071	1,778	635	3,590	626	525	893	1,101	469	1,198
Other	12,604	13,203	12,040	14,214	13,605	12,509	17,296	9,636	19,416	18,018	12,919	13,929	14,123
Total	185,321	182,991	214,483	203,981	222,325	217,763	221,693	162,671	223,577	225,741	196,235	191,618	196,813
Cattle imports	Head												
Mexico	149,366	27,618	20,163	7,405	8,114	6,353	8,203	57,455	146,806	141,312	97,772	92,277	98,285
Canada	135,292	134,719	105,738	102,429	113,327	153,735	184,396	196,656	183,783	119,202	118,113	105,678	118,178
Over 700 lb	108,380	113,526	85,140	85,342	97,921	121,580	120,620	111,893	120,059	91,268	99,543	92,345	105,351
440-700 lb	15,097	6,688	4,215	2,709	2,796	8,961	32,754	57,140	45,459	13,292	4,597	2,319	966
Total	284,663	162,337	125,901	109,834	121,441	160,088	192,599	254,111	330,589	260,514	215,885	197,955	216,463
Cattle exports													
Mexico	8,315	9,818	9,710	6,538	10,354	8,199	6,728	7,889	7,120	6,772	5,728	2,124	1,913
Canada	13,549	9,281	16,327	9,975	9,716	8,242	6,304	7,867	11,368	13,422	8,534	8,417	10,712
Total	21,934	19,404	26,119	16,617	20,209	16,585	13,136	16,135	18,672	22,665	14,325	10,888	13,033
Lamb imports	Carcass wt., 1,000 lb												
Australia	9,598	5,914	5,681	5,959	5,768	5,536	3,941	3,948	4,996	5,946	5,697	3,906	7,203
New Zealand	5,011	4,315	4,827	4,443	4,298	3,980	3,082	3,240	4,433	4,310	3,748	3,821	6,690
Total	14,668	10,252	10,568	10,440	10,110	9,534	7,065	7,225	9,441	10,317	9,445	7,727	14,003
Mutton imports													
Total	7,379	6,192	4,142	2,143	1,213	1,713	2,034	2,575	3,010	4,021	3,532	1,897	3,088
Lamb and mutton exports													
Total	432	572	506	911	310	774	543	613	565	998	674	613	695

Monthly U.S. livestock and meat trade, continued

	Mar-2002	Apr-2002	May-2002	Jun-2002	Jul-2002	Aug-2002	Sep-2002	Oct-2002	Nov-2002	Dec-2002	Jan-2003	Feb-2003	Mar-2003
Pork imports	Carcass wt., 1,000 lb												
Canada	64,144	70,019	68,812	70,598	78,051	79,245	74,185	83,764	82,838	79,316	76,896	76,637	81,018
Denmark	10,723	13,924	12,284	9,622	10,517	8,272	7,202	8,472	11,493	13,416	9,226	13,758	15,749
Poland	1,883	2,226	1,338	1,774	2,236	1,326	2,889	2,673	2,224	2,935	2,012	2,074	1,460
Netherlands	625	354	698	644	668	268	803	488	436	599	415	715	403
Hungary	204	191	302	159	863	464	272	471	468	729	533	464	467
Other	2,517	2,540	3,270	2,769	3,026	2,627	2,388	3,193	2,707	2,861	2,685	2,098	2,626
Total	80,096	89,253	86,704	85,567	95,361	92,201	87,738	99,062	100,167	99,855	91,766	95,746	101,722
Pork exports													
Japan	64,154	66,542	78,288	76,324	68,575	58,418	58,486	45,910	64,570	66,213	67,422	67,615	74,975
Canada	19,069	15,576	18,296	15,128	14,237	13,884	15,676	13,733	16,480	14,740	12,882	13,545	16,042
Mexico	23,232	27,300	23,542	25,210	28,561	27,863	19,759	26,280	25,392	28,951	24,395	20,907	21,961
Russia	1,276	2,623	4,725	4,721	5,419	1,815	2,112	4,354	4,348	2,576	2,043	2,367	1,495
Korea, Rep.	4,470	4,442	6,379	3,862	5,416	7,081	6,630	7,003	11,380	7,475	8,793	7,693	9,870
Hong Kong	1,535	878	2,131	3,064	1,467	1,247	2,371	2,350	4,350	4,193	1,910	3,140	3,054
Caribbean	1,420	1,052	1,402	1,482	1,087	3,985	1,733	2,204	1,709	1,743	1,425	1,012	1,003
Other	9,055	9,889	11,133	11,733	16,103	22,204	17,257	19,249	21,280	18,818	15,409	17,038	17,151
Total	124,211	128,303	145,897	141,522	140,866	136,497	124,022	121,082	149,508	144,708	134,279	133,318	145,550
Hog imports	Head												
Canada	455,427	480,017	528,892	436,534	456,561	436,777	426,769	557,096	471,523	494,644	545,267	449,352	507,874
Under 110 lb	276,971	307,923	353,273	283,639	301,093	294,458	269,923	392,866	322,166	331,013	377,133	328,845	370,013
Total	455,427	480,017	528,892	436,534	456,561	436,777	426,769	557,096	472,125	494,644	545,267	449,352	507,874
Hog exports													
Total	8,095	21,392	15,339	19,241	16,509	20,285	19,654	12,040	16,549	23,375	15,663	11,313	6,682
Broiler exports	***Has been revised to exclude paws												
	Ready to cook, 1,000 lb												
Japan	8,659	8,958	7,527	10,616	13,607	12,842	9,625	11,216	15,811	8,814	8,219	6,174	5,861
Mexico	35,429	34,395	26,903	20,404	19,888	18,923	23,508	24,844	24,613	22,579	24,329	21,939	27,736
Hong Kong	65,421	70,552	75,442	39,518	46,658	58,351	49,213	30,044	37,706	33,642	44,266	44,714	33,061
Singapore	3,486	2,957	1,908	1,791	1,188	4,513	2,597	3,988	4,172	4,322	2,975	2,569	3,384
Canada	12,562	13,869	15,182	17,289	18,465	19,593	20,151	17,889	17,805	13,134	15,004	13,240	14,518
Russia	104,602	14,399	59,810	168,493	140,948	215,864	27,754	196,192	118,290	56,356	112,468	152,948	144,644
Latvia	475	1,310	16,199	571	9,145	156	-	17,552	21,933	782	3,880	4,139	1,759
Other	110,975	128,808	224,678	157,645	166,347	205,151	172,641	166,307	197,123	174,267	207,200	149,195	155,565
Total	341,608	275,248	427,648	416,325	416,248	535,393	305,489	468,033	437,454	313,896	418,340	394,919	386,528
Turkey exports													
Mexico	27,987	17,240	17,656	8,317	8,766	9,769	15,181	16,288	13,783	13,421	13,361	15,419	15,727
Canada	680	813	1,034	1,187	947	1,241	1,252	1,507	1,576	2,496	895	1,211	1,520
S. Korea	714	1,215	1,471	1,694	746	1,556	792	897	910	690	844	1,038	1,234
Russia	5,888	-	515	3,189	1,024	4,115	609	1,113	517	308	161	1,617	2,555
Hong Kong	6,907	6,464	8,566	4,850	4,015	6,337	6,682	4,808	4,561	6,129	3,505	5,425	4,346
Other	7,605	9,326	12,812	10,713	10,729	14,013	12,035	11,668	14,274	8,166	10,773	10,900	12,245
Total	49,781	35,058	42,054	29,950	26,226	37,032	36,551	36,280	35,621	31,210	29,538	35,609	37,628
Shell egg exports	1,000 doz.												
Canada	1,648	2,903	2,863	2,838	2,075	2,492	3,286	3,346	2,826	3,886	1,205	1,243	1,548
Japan	1	-	2	14	320	373	358	354	567	84	104	-	-
Other	4,165	4,643	4,675	3,949	5,274	5,248	4,378	3,883	4,732	4,970	5,168	5,480	10,101
Total	5,815	7,546	7,540	6,801	7,669	8,114	8,023	7,583	8,125	8,940	6,477	6,723	11,648

Sources: Economic Research Service, USDA and Census Bureau, U.S. Department of Commerce.

For further information: Dale Leuck (202) 694-5186 or Mildred Haley (202) 694-5176.

U.S. dairy situation at a glance 1/

	Unit	2000	2001	2002	Feb-02	Mar-02	Apr-02	May-02
Milk production:								
Production (20 States)	Mil. lb.	144,535	142,979	146,590	11,401	12,810	12,575	13,039
Milk cows (20 States)	Thou.	7,799	7,745	7,773	7,744	7,745	7,758	7,769
Milk per cow (20 States)	Lb.	18,534	18,459	18,858	1,472	1,654	1,621	1,678
Production (U.S. est.)	Mil. lb.	167,559	165,497	169,758	13,229	14,859	14,585	15,118
Milk prices:								
All milk	Dol./cwt	12.40	15.05	12.11	13.10	12.60	12.50	12.10
Milk eligible for fluid use	Dol./cwt	12.44	15.09	12.12	13.10	12.60	12.60	12.10
Manufacturing grade milk	Dol./cwt	10.52	13.44	10.92	11.90	11.30	11.30	11.10
Class III (cheese milk) 3.5% fat	Dol./cwt	9.74	13.10	10.42	11.63	10.65	10.85	10.82
Class IV (butter-powder milk) 3.5% fat	Dol./cwt	11.83	13.76	10.81	11.54	11.42	11.09	10.57
Slaughter cow price, South St. Paul	Dol./cwt	40.08	44.78	40.09	41.75	44.63	42.56	43.05
Chicago Mercantile Exchange prices:								
Butter	Dol./lb.	1.1768	1.6630	1.1059	1.2427	1.2473	1.1712	1.0590
American cheese, 40-pound blocks	Dol./lb.	1.1316	1.4387	1.1822	1.2076	1.2130	1.2448	1.2009
American cheese, barrels	Dol./lb.	1.1084	1.4052	1.1438	1.1797	1.1809	1.2177	1.1688
Wholesale price:								
Nonfat dry milk, Central States	Dol./lb.	1.0160	1.0083	0.9308	0.9357	0.9218	0.9061	0.9174
Retail prices:								
Consumer Price Index	1982-84=100	172.1	177.1	179.9	177.8	178.8	179.8	179.8
All food	1982-84=100	167.8	173.1	176.2	175.9	176.1	176.2	175.8
Dairy products	1982-84=100	160.7	167.1	168.1	170.1	169.4	168.7	169.0
Fluid milk	Dec 1997=100	107.8	112.7	110.6	112.2	111.6	111.6	111.1
Other dairy products	Dec 1997=100	109.4	112.5	114.5	115.5	114.3	113.3	114.2
Dairy product output:								
Butter	Mil. lb.	1,256.0	1,231.8	1,355.1	124.2	127.7	131.6	125.5
American cheese	Mil. lb.	3,641.6	3,544.2	3,709.0	292.9	322.1	320.4	329.9
Other-than-American cheese	Mil. lb.	4,616.4	4,716.4	4,890.0	375.0	420.7	398.8	418.3
Frozen products 2/	Mil. gal.	1,304.9	1,300.3	1,280.1	98.3	111.5	120.0	120.7
All products (m.e.-fat)	Mil. lb.	104,844	102,648	109,037	8,726	9,533	9,652	9,876
Nonfat dry milk	Mil. lb.	1,451.8	1,413.8	1,569.0	127.7	153.1	164.2	163.4
Beginning stocks:								
Commercial butter	Mil. lb.	24.9	24.0	55.5	98.9	128.9	143.8	194.6
Commercial American cheese	Mil. lb.	458.0	521.1	448.3	458.9	490.4	497.6	513.0
Other cheese	Mil. lb.	163.3	185.2	210.9	233.9	229.2	233.4	252.1
Manufacturers' nonfat dry milk	Mil. lb.	150.9	146.3	124.5	120.1	144.6	159.9	164.1
All commercial (m.e.-fat)	Mil. lb.	6,143	6,839	7,041	8,262	9,184	9,606	11,005
All commercial (m.e.-skim)	Mil. lb.	8,047	8,801	8,085	8,378	8,939	9,227	9,632
All Government (m.e.-fat)	Mil. lb.	44	139	218	216	245	257	287
All Government (m.e.-skim)	Mil. lb.	1,566	6,028	9,070	9,122	9,623	10,174	10,895
Commercial disappearance:								
Butter	Mil. lb.	1,280.4	1,275.4	1,288.1	98.3	116.7	83.4	97.5
American cheese	Mil. lb.	3,595.3	3,681.7	3,730.0	263.0	318.7	307.5	313.6
Other-than-American cheese	Mil. lb.	4,959.7	5,058.9	5,252.3	408.3	449.3	414.6	451.1
Nonfat dry milk	Mil. lb.	771.0	946.4	776.4	22.7	52.3	62.3	45.8
All products:								
m.e.-fat	Mil. lb.	169,133	169,656	170,540	12,556	14,744	13,455	14,525
Milkfat	Mil. lb.	6,224	6,223	6,277	472	551	495	528
Skim solids	Mil. lb.	13,959	14,179	14,141	1,036	1,206	1,159	1,200
USDA net removals:								
Butter	Mil. lb.	8.9	0.0	0.0	0.0	0.0	0.0	0.0
Cheese	Mil. lb.	28.0	3.9	16.1	0.7	0.0	0.0	0.0
Nonfat dry milk	Mil. lb.	692.6	495.9	828.0	81.6	85.7	98.2	114.7
All products (m.e.-fat)	Mil. lb.	841	145	330	24	19	22	25
All products (m.e.-skim)	Mil. lb.	8,613	5,810	9,797	957	997	1,143	1,335
Imports:								
All products (m.e.-fat)	Mil. lb.	4,445	5,716	5,103	361	421	386	412
All products (m.e.-skim)	Mil. lb.	4,389	4,686	5,103	339	397	397	456
International market prices:								
Butter	\$/metric ton	1,367	1,391	1,159	1,163	1,138	1,088	1,050
Nonfat dry milk	\$/metric ton	1,896	2,019	1,303	1,500	1,200	1,200	1,250

1/ Some data series different than formerly published due to changes in availability.

2/ Hard ice cream, ice milk, and sherbet.

m.e.-fat (skim) = Milk equivalent, fat (skim solids) basis

NA=Not available

U.S. dairy situation at a glance (continued)

Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03
12,348	12,281	12,223	11,648	11,991	11,657	12,290	12,548	11,588	12,969	12,675
7,782	7,781	7,785	7,781	7,789	7,792	7,801	7,807	7,810	7,811	7,800
1,587	1,578	1,570	1,497	1,539	1,496	1,575	1,607	1,484	1,660	1,625
14,312	14,202	14,130	13,459	13,870	13,479	14,206	14,523	13,407	15,001	14,641
11.50	11.10	11.30	11.60	12.10	11.90	11.90	11.70	11.40	11.00	10.90
11.50	11.10	11.30	11.60	12.10	11.90	11.90	11.80	11.40	11.00	10.90
10.30	9.60	9.90	10.40	11.30	10.70	10.70	10.50	10.30	9.80	9.90
10.09	9.33	9.54	9.92	10.72	9.84	9.74	9.78	9.66	9.11	9.41
10.52	10.45	10.41	10.22	10.50	10.58	10.49	10.07	9.81	9.79	9.73
41.13	39.55	39.06	38.59	37.68	36.63	37.16	38.63	40.22	42.31	42.68
1.0427	1.0302	0.9752	0.9635	1.0315	1.0425	1.1198	1.0815	1.0405	1.0915	1.0906
1.1299	1.0889	1.1575	1.2041	1.1950	1.0891	1.1311	1.0929	1.0920	1.0817	1.1225
1.1051	1.0680	1.1252	1.1100	1.0970	1.0705	1.1055	1.1507	1.0430	1.0469	1.0902
0.9213	0.9275	0.9323	0.9468	0.9563	0.9578	0.9075	0.8562	0.8347	0.8375	0.8375
179.9	180.1	180.7	181.0	181.3	181.3	180.9	181.7	183.1	184.2	183.8
175.8	176.0	176.0	176.4	176.5	176.8	177.3	177.5	178.3	178.6	178.4
168.0	167.6	167.2	166.3	166.5	167.1	167.3	166.4	167.2	167.1	165.8
110.9	110.1	109.6	109.1	109.4	109.6	109.9	109.9	109.0	108.5	109.0
115.5	115.8	114.9	114.4	113.1	113.7	114.9	112.9	114.0	114.6	114.9
95.8	94.4	88.9	92.8	102.6	103.9	127.6	141.4	128.4	126.6	NA
314.0	305.4	309.6	287.5	297.8	294.4	317.4	319.5	285.6	315.9	NA
394.3	386.8	404.7	396.4	434.3	431.1	429.7	398.2	367.9	417.2	NA
123.4	124.7	116.6	102.6	102.3	82.7	80.5	96.7	100.9	113.9	NA
9,084	9,064	8,943	8,478	8,804	8,433	9,092	9,422	8,729	9,517	NA
153.0	129.1	117.9	97.2	103.4	99.0	132.5	133.8	130.4	146.2	NA
224.6	241.0	243.3	227.0	207.2	162.8	134.6	157.3	202.3	237.5	247.8
535.4	547.9	572.8	565.0	512.0	500.5	473.6	493.1	511.9	537.9	528.4
252.9	248.9	260.2	236.1	241.0	219.0	223.0	236.8	247.3	230.2	240.5
169.7	177.8	152.4	109.5	84.7	79.4	85.8	103.0	111.6	116.2	117.1
11,888	12,361	12,746	12,150	11,243	9,958	9,113	9,891	11,124	12,013	12,224
9,946	10,154	10,243	9,444	8,660	8,216	8,047	8,578	8,971	9,126	9,142
304	319	308	335	333	343	314	268	299	308	355
11,572	12,402	13,011	14,187	14,259	14,010	13,439	12,212	12,124	12,527	13,029
82.5	95.1	107.9	114.4	149.0	134.6	109.8	98.4	93.6	113.9	NA
317.8	293.8	322.5	345.3	316.3	324.5	296.4	304.1	266.5	322.8	NA
425.2	410.1	459.1	423.9	490.5	467.1	455.6	410.0	411.5	439.1	NA
59.6	73.3	114.7	83.5	89.4	55.7	50.7	48.5	37.7	53.5	NA
14,184	14,199	14,984	14,658	15,464	14,646	13,748	13,595	12,698	14,934	NA
506	501	534	532	575	554	522	515	478	559	NA
1,162	1,156	1,250	1,209	1,253	1,187	1,146	1,182	1,082	1,232	NA
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	2.2	4.3	4.3
0.0	0.7	5.9	1.1	0.8	1.6	4.6	1.8	2.5	10.1	11.0
86.9	84.7	47.8	39.8	20.2	37.2	64.6	77.9	88.1	91.8	93.8
19	25	65	19	11	23	56	46	91	208	215
1,012	992	615	474	242	449	797	924	1,051	1,169	1,201
457	504	420	405	417	439	473	442	355	442	NA
460	547	439	440	441	461	442	323	360	447	NA
1,050	1,090	1,113	1,225	1,275	1,263	1,281	1,280	1,206	1,274	1,275
1,200	1,200	1,150	1,200	1,220	1,350	1,606	1,705	1,688	1,670	1,654

Commercial disappearance: Milk in all products, 2001

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	14,013	12,869	14,384	14,094	14,661	13,965	13,872	13,555	13,136	13,625	13,321	14,002	165,497
Farm use	103	93	103	100	103	100	103	102	100	103	100	102	1,212
Marketings	13,910	12,776	14,281	13,994	14,558	13,865	13,769	13,453	13,036	13,522	13,221	13,900	164,285
Beginning commercial stocks	6,839	7,768	8,280	8,407	8,778	9,346	9,954	10,018	9,001	8,755	8,167	6,870	6,839
Imports	433	337	354	493	420	727	604	598	319	524	512	396	5,716
Total supply	21,182	20,881	22,915	22,894	23,756	23,938	24,327	24,069	22,356	22,801	21,900	21,166	176,840
Utilization:													
Ending commercial stocks	7,768	8,280	8,407	8,778	9,346	9,954	10,018	9,001	8,755	8,167	6,870	7,041	7,041
USDA net removals	31	23	14	11	11	8	15	10	2	-14	18	16	145
Commercial disappearance	13,383	12,578	14,494	14,105	14,399	13,976	14,294	15,058	13,599	14,648	15,012	14,109	169,654
Percent change from a year ago	10.0	{1.1} -2.4	-1.6	0.9	-1.1	0.4	0.5	-0.4	-4.5	-2.3	4.5	{0.6} 1.2	0.3
Cumulative disappearance	13,383	25,961	40,455	54,560	68,959	82,935	97,229	112,287	125,886	140,534	155,546	169,655	
		First quarter			Second quarter			Third quarter		Fourth quarter			
		40,455			42,480			42,951		43,769			
Percent change from a year ago		{2.8} 1.7			0.0			-1.5		1.1			

Percentages in brackets adjusted for leap year.

Commercial disappearance: Milk in all products, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Supply:													
Production	14,309	13,229	14,859	14,585	15,118	14,312	14,202	14,130	13,459	13,870	13,479	14,206	169,758
Farm use	97	88	96	94	97	93	97	97	94	97	94	97	1,141
Marketings	14,212	13,141	14,763	14,491	15,021	14,219	14,105	14,033	13,365	13,773	13,385	14,109	168,617
Beginning commercial stocks	7,041	8,262	9,184	9,605	11,005	11,888	12,361	12,746	12,150	11,243	9,958	9,113	7,041
Imports	409	361	421	386	412	457	504	420	405	417	439	473	5,103
Total supply	21,662	21,764	24,368	24,482	26,438	26,564	26,970	27,199	25,920	25,433	23,782	23,695	180,761
Utilization:													
Ending commercial stocks	8,262	9,184	9,605	11,005	11,888	12,361	12,746	12,150	11,243	9,958	9,113	9,891	9,891
USDA net removals	21	24	19	22	25	19	25	65	19	11	23	56	330
Commercial disappearance	13,379	12,556	14,744	13,455	14,525	14,184	14,199	14,984	14,658	15,464	14,646	13,748	170,540
Percent change from a year ago	0.0	-0.2	1.7	-4.6	0.9	1.5	-0.7	-0.5	7.8	5.6	-2.4	-2.6	0.5
Cumulative disappearance	13,379	25,935	40,679	54,134	68,659	82,843	97,042	112,026	126,684	142,148	156,794	170,542	
		First quarter		Second quarter		Third quarter		Fourth quarter					
		40,679		42,164		43,841		43,858					
Percent change from a year ago		0.6		-0.7		2.1		0.2					

Commercial disappearance: Milkfat, 2001

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	531	483	535	517	528	499	492	481	477	508	502	531	6,084
Farm use	4	3	4	4	4	4	4	4	4	4	4	4	45
Marketings	527	479	531	514	524	495	489	478	473	504	498	527	6,039
Beginning commercial stocks	251	286	305	309	323	344	366	368	331	322	301	253	251
Imports	15	12	12	17	15	26	22	21	11	18	18	14	200
Total supply	793	777	848	840	862	865	877	867	815	844	817	794	6,490
Utilization:													
Ending commercial stocks	286	305	309	323	344	366	368	331	322	301	253	259	259
USDA net removals	1	1	1	0	0	0	1	0	0	0	1	1	5
Commercial disappearance	506	471	538	517	518	499	508	536	493	543	563	534	6,226
Percent change from a year ago	[9.6]	[0.7] -2.8	-1.9	0.2	-1.4	0.4	0.3	-0.6	-4.6	-2.4	4.0	[0.8]	[0.3] 0.0
Cumulative disappearance	506	977	1,516	2,032	2,550	3,049	3,557	4,093	4,586	5,129	5,693	6,226	
	First quarter			Second quarter			Third quarter			Fourth quarter			
		1,516		1,534		1,537		1,641					
Percent change from a year ago	[2.5]	1.4		-0.3		-1.6		0.8					

Percentages in brackets adjusted for leap year.

Commercial disappearance: Milkfat, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	542	497	556	538	550	514	503	503	489	519	512	538	6,261
Farm use	4	3	4	3	4	3	3	3	3	4	4	4	42
Marketings	539	494	552	535	547	510	499	500	485	515	509	535	6,219
Beginning commercial stocks	259	304	338	353	405	437	455	469	447	413	366	335	259
Imports	14	13	15	13	14	15	17	14	14	14	15	17	175
Total supply	812	811	905	901	966	962	971	983	946	942	890	887	6,653
Utilization:													
Ending commercial stocks	304	338	353	405	437	455	469	447	413	366	335	364	364
USDA net removals	1	1	1	1	1	1	1	2	1	1	1	1	12
Commercial disappearance	507	472	551	495	528	506	501	534	532	575	554	522	6,277
Percent change from a year ago	0.1	0.2	2.4	-4.2	1.9	1.5	-1.3	-0.4	7.9	5.8	-1.7	-2.3	0.8
Cumulative disappearance	507	979	1,530	2,025	2,552	3,059	3,560	4,094	4,626	5,201	5,755	6,276	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	1,530			1,529			1,567			1,650			
Percent change from a year ago	0.9			-0.3			2.0			0.6			

Commercial disappearance: Skim solids, 2001

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	1,227	1,115	1,250	1,225	1,274	1,205	1,183	1,155	1,126	1,185	1,164	1,213	14,322
Farm use	9	8	9	9	9	9	9	9	9	9	9	9	105
Marketings	1,218	1,107	1,241	1,216	1,265	1,196	1,174	1,146	1,117	1,176	1,156	1,204	14,217
Beginning commercial stocks	756	759	764	741	747	755	812	805	740	723	688	652	756
Imports	26	26	26	34	30	40	35	33	26	43	44	41	403
Total supply	2,000	1,892	2,031	1,991	2,042	1,991	2,021	1,984	1,883	1,942	1,888	1,897	15,376
Utilization:													
Ending commercial stocks	759	764	741	747	755	812	805	740	723	688	652	696	696
USDA net removals	72	52	67	48	51	35	40	15	8	15	51	45	497
Commercial disappearance	1,169	1,076	1,223	1,196	1,236	1,144	1,176	1,229	1,152	1,239	1,185	1,156	14,183
Percent change from a year ago	8.1	{3.2} -0.3	-0.4	6.6	2.4	-2.2	3.3	2.2	-2.7	1.5	1.0	0.3	{1.9} 1.6
Cumulative disappearance	1,169	2,245	3,468	4,664	5,900	7,045	8,221	9,450	10,602	11,842	13,026	14,182	
		First quarter		Second quarter		Third quarter		Fourth quarter					
		3,468		3,577		3,558		3,580					
Percent change from a year ago		{3.4} 2.3		2.2		0.9		0.9					

Percentages in brackets adjusted for leap year.

Commercial disappearance: Skim solids, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	1,253	1,146	1,290	1,266	1,311	1,234	1,211	1,204	1,153	1,207	1,178	1,230	14,682
Farm use	8	8	8	8	8	8	8	8	8	8	8	8	99
Marketings	1,244	1,138	1,281	1,258	1,302	1,226	1,203	1,196	1,145	1,198	1,170	1,222	14,583
Beginning commercial stocks	696	721	770	794	829	856	873	882	813	746	708	693	696
Imports	24	29	34	34	39	40	47	38	38	38	40	38	439
Total supply	1,964	1,888	2,085	2,086	2,170	2,122	2,123	2,116	1,996	1,982	1,918	1,953	15,718
Utilization:													
Ending commercial stocks	721	770	794	829	856	873	882	813	746	708	693	739	739
USDA net removals	67	82	85	98	114	87	85	53	41	21	38	68	838
Commercial disappearance	1,176	1,036	1,206	1,159	1,200	1,162	1,156	1,250	1,209	1,253	1,187	1,146	14,141
Percent change from a year ago	0.6	-3.7	-1.4	-3.1	-2.9	1.5	-1.7	1.7	5.0	1.1	0.2	-0.9	-0.3
Cumulative disappearance	1,176	2,212	3,419	4,577	5,778	6,939	8,095	9,345	10,554	11,808	12,994	14,140	
		First quarter		Second quarter		Third quarter		Fourth quarter					
		3,419		3,520		3,615		3,586					
Percent change from a year ago		-1.4		-1.6		1.6		0.2					

Commercial disappearance: Butter, 2001

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	127.1	111.5	111.1	108.7	110.7	86.5	82.1	75.3	86.5	109.7	99.9	122.8	1,231.8
Beginning commercial stocks	24.0	68.1	85.8	95.5	111.7	137.4	152.7	150.3	117.0	110.5	100.4	57.6	24.0
Imports	2.0	3.2	4.6	7.2	5.8	15.8	12.5	12.4	2.5	3.9	3.1	2.0	75.5
Total supply	153.1	182.8	201.5	211.4	228.2	239.7	247.3	238.0	206.0	224.1	203.4	182.4	1,331.3
Utilization:													
Ending commercial stocks	68.1	85.8	95.5	111.7	137.4	152.7	150.3	117.0	110.5	100.4	57.6	55.5	55.5
USDA net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial disappearance	85.0	97.0	106.0	99.7	90.8	87.0	97.0	121.0	95.5	123.7	145.8	126.9	1,275.8
Percent change from a year ago	5.9	{-0.7} -4.2	-6.6	1.7	-7.9	2.4	-0.9	-0.1	-9.0	-5.1	9.8	8.7	{-0.1} -0.3
Cumulative disappearance	85.0	182.0	288.0	387.7	478.5	565.5	662.5	783.5	879.0	1,002.7	1,148.5	1,275.4	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	288.0			277.5			313.5			396.4			
Percent change from a year ago	{-1.2} -2.4			-1.5			-3.2			4.3			

Percentages in brackets adjusted for leap year.

Commercial disappearance: Butter, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Supply:													
Production	140.1	124.2	127.7	131.6	125.5	95.8	94.4	88.9	92.8	102.6	103.9	127.6	1,355.1
Beginning commercial stocks	55.5	98.9	128.9	143.8	194.6	224.6	241.0	243.3	227.0	207.2	162.8	134.6	55.5
Imports	2.2	4.1	3.9	2.6	2.0	3.1	3.0	2.7	1.8	2.0	2.5	4.9	34.9
Total supply	197.8	227.2	260.5	278.0	322.1	323.5	338.4	334.9	321.6	311.8	269.2	267.1	1,445.5
Utilization:													
Ending commercial stocks	98.9	128.9	143.8	194.6	224.6	241.0	243.3	227.0	207.2	162.8	134.6	157.3	157.3
USDA net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial disappearance	98.9	98.3	116.7	83.4	97.5	82.5	95.1	107.9	114.4	149.0	134.6	109.8	1,288.2
Percent change from a year ago	16.4	1.3	10.1	-16.3	7.4	-5.2	-2.0	-10.8	19.8	20.5	-7.7	-13.5	1.0
Cumulative disappearance	98.9	197.2	313.9	397.3	494.8	577.3	672.4	780.3	894.7	1,043.7	1,178.3	1,288.1	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	313.9			263.4			317.4			393.4			
Percent change from a year ago	9.0			-5.1			1.2			-0.8			

Commercial disappearance: Nonfat dry milk, 2001

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
	Million pounds												
Supply:													
Production	118.3	119.1	121.1	131.7	140.4	131.5	117.5	96.1	94.4	105.8	107.2	130.8	1,413.8
Beginning commercial stocks	146.3	146.3	137.8	123.5	127.1	134.0	166.7	147.2	109.0	101.9	102.2	102.8	146.3
Imports	0.0	0.0	0.0	0.2	0.5	0.8	0.5	0.3	0.0	0.1	0.2	3.9	6.7
Total supply	264.6	265.4	258.9	255.4	268.0	266.3	284.7	243.6	203.4	207.8	209.6	237.5	1,566.8
Utilization:													
Ending commercial stocks	146.3	137.8	123.5	127.1	134.0	166.7	147.2	109.0	101.9	102.2	102.8	124.5	124.5
USDA net removals	70.6	50.9	66.9	48.5	51.2	34.8	39.2	14.9	7.5	16.2	50.7	44.4	495.9
Commercial disappearance	47.7	76.7	68.5	79.8	82.8	64.8	98.3	119.7	94.0	89.4	56.1	68.6	946.4
Percent change from a year ago	-4.8	{73.1} 67.1	-4.2	168.7	33.1	-26.0	31.1	40.8	28.9	50.3	-16.4	6.4	{23.1} 22.8
Cumulative disappearance	47.7	124.4	192.9	272.7	355.5	420.3	518.6	638.3	732.3	821.7	877.8	946.4	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	192.9			227.4			312.0			214.1			
Percent change from a year ago	{16.3} 15.2			26.7			34.0			12.0			

Percentages in brackets adjusted for leap year.

Commercial disappearance: Nonfat dry milk, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
	Million pounds												
Supply:													
Production	128.7	127.7	153.1	164.2	163.4	153.0	129.1	117.9	97.2	103.4	99.0	132.5	1,569.0
Beginning commercial stocks	124.5	120.1	144.6	159.9	164.1	169.7	177.8	152.4	109.5	84.7	79.4	85.8	124.5
Imports	0.0	1.1	0.2	0.5	2.7	1.6	3.4	1.7	1.3	0.9	0.3	0.0	13.8
Total supply	253.2	248.9	297.9	324.6	330.2	324.3	310.3	272.0	208.0	189.0	178.7	218.3	1,707.3
Utilization:													
Ending commercial stocks	120.1	144.6	159.9	164.1	169.7	177.8	152.4	109.5	84.7	79.4	85.8	103.0	103.0
USDA net removals	66.7	81.6	85.7	98.2	114.7	86.9	84.6	47.8	39.8	20.2	37.2	64.6	828.0
Commercial disappearance	66.4	22.7	52.3	62.3	45.8	59.6	73.3	114.7	83.5	89.4	55.7	50.7	776.3
Percent change from a year ago	39.2	-70.4	-23.6	-21.9	-44.7	-8.0	-25.4	-4.2	-11.2	0.0	-0.7	-26.1	-18.0
Cumulative disappearance	66.4	89.1	141.4	203.7	249.5	309.1	382.4	497.1	580.6	670.0	725.7	776.4	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	141.4			167.7			271.5			195.8			
Percent change from a year ago	-26.7			-26.3			-13.0			-8.5			

Commercial disappearance: Nonfat dry milk, 2003

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
	Million pounds												
Supply:													
Production	133.8	130.4	146.2										
Beginning commercial stocks	103.0	111.6	116.2	117.1									
Imports	1.2	*	0.6										
Total supply	238.0	242.0	262.4										
Utilization:													
Ending commercial stocks	111.6	116.2	117.1										
USDA net removals	77.9	88.1	91.8	93.8									
Commercial disappearance	48.5	37.7	53.5										
Percent change from a year ago	-27.0	66.1	2.3										
Cumulative disappearance	48.5	86.2	139.7										
	First quarter			Second quarter			Third quarter			Fourth quarter			
	139.7												
Percent change from a year ago	-1.2												

Commercial disappearance: American cheese, 2001

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
	Million pounds												
Supply:													
Production	302.9	271.4	298.6	292.4	310.4	306.8	296.0	284.5	279.6	298.8	287.8	314.9	3,544.2
Beginning commercial stocks	521.1	504.7	504.1	498.5	501.0	495.7	519.8	526.3	497.5	486.3	462.5	437.9	521.1
Imports	8.6	3.8	3.3	5.8	3.6	8.4	3.9	6.2	3.4	12.0	6.2	3.4	68.6
Total supply	832.6	779.9	806.0	796.7	815.0	810.9	819.7	817.0	780.5	797.1	756.5	756.2	4,133.9
Utilization:													
Ending commercial stocks	504.7	504.1	498.5	501.0	495.7	519.8	526.3	497.5	486.3	462.5	437.9	448.3	448.3
USDA net removals	1.6	1.2	0.0	0.0	0.0	0.0	0.7	0.7	0.1	-1.9	0.7	0.7	3.9
Commercial disappearance	326.3	274.6	307.5	295.7	319.3	291.1	292.7	318.8	294.1	336.5	317.9	307.2	3,681.7
Percent change from a year ago	22.5	{0.6} -2.8	-2.0	3.1	0.9	-0.8	1.2	0.2	-5.0	6.4	6.3	1.3	{2.7} 2.4
Cumulative disappearance	326.3	600.9	908.4	1,204.1	1,523.4	1,814.5	2,107.2	2,426.0	2,720.1	3,056.6	3,374.5	3,681.7	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	908.4			906.1			905.6			961.6			
Percent change from a year ago	{6.5} 5.3			1.0			-1.2			4.7			

Percentages in brackets adjusted for leap year.

Commercial disappearance: American cheese, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	317.5	292.9	322.1	320.4	329.9	314.0	305.4	309.6	285.5	297.8	294.4	317.4	3,709.0
Beginning commercial stocks	448.3	458.9	490.4	497.6	513.0	535.4	547.9	572.8	565.0	512.0	500.5	473.6	448.3
Imports	4.4	2.3	3.8	2.5	6.1	16.3	14.0	11.0	7.9	7.8	4.8	3.1	83.9
Total supply	770.2	754.1	816.3	820.5	849.0	865.7	867.3	893.4	858.4	817.6	799.7	794.1	4,241.2
Utilization:													
Ending commercial stocks	458.9	490.4	497.6	513.0	535.4	547.9	572.8	565.0	512.0	500.5	473.6	493.1	493.1
USDA net removals	0.7	0.7	0.0	0.0	0.0	0.0	0.7	5.9	1.1	0.8	1.6	4.6	16.1
Commercial disappearance	310.6	263.0	318.7	307.5	313.6	317.8	293.8	322.5	345.3	316.3	324.5	296.4	3,732.0
Percent change from a year ago	-4.8	-4.2	3.6	4.0	-1.8	9.2	0.4	1.2	17.4	-6.0	2.1	-3.5	1.4
Cumulative disappearance	310.6	573.6	892.3	1,199.8	1,513.4	1,831.2	2,125.0	2,447.5	2,792.8	3,109.1	3,433.6	3,730.0	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	892.3			938.9			961.6			937.2			
Percent change from a year ago		-1.8			3.6			6.2			-2.5		

Commercial disappearance: Other-than-American cheese, 2001

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	390.9	364.7	427.2	392.5	408.1	381.9	389.5	386.8	369.7	392.1	413.8	399.3	4,716.4
Beginning commercial stocks	185.2	202.9	218.0	211.2	208.8	214.7	217.6	224.6	222.1	221.2	208.9	193.2	185.2
Imports	17.6	20.8	26.3	30.1	27.1	33.6	35.6	30.7	26.5	36.7	43.8	39.3	368.1
Total supply	593.7	588.4	671.5	633.8	644.0	630.2	642.7	642.1	618.3	650.0	666.5	631.8	5,269.7
Utilization:													
Ending commercial stocks	202.9	218.0	211.2	208.8	214.7	217.6	224.6	222.1	221.2	208.9	193.2	210.9	210.9
USDA net removals													
Commercial disappearance	390.8	370.4	460.3	425.0	429.3	412.6	418.1	420.0	397.1	441.1	473.3	420.9	5,058.8
Percent change from a year ago	13.7	{5.0} 1.4	8.2	4.2	0.2	-1.4	7.4	-2.8	-8.5	-3.5	5.9	2.4	{2.3} 2.0
Cumulative disappearance	390.8	761.2	1,221.5	1,646.5	2,075.8	2,488.4	2,906.5	3,326.5	3,723.6	4,164.7	4,638.0	5,058.9	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	1,221.5			1,266.9			1,235.2			1,335.3			
Percent change from a year ago	{8.9} 7.7			1.0			-1.6			1.5			

Percentages in brackets adjusted for leap year.

Commercial disappearance: Other-than-American cheese, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
	Million pounds												
Supply:													
Production	399.9	375.0	420.7	398.8	418.3	394.3	386.8	404.7	396.4	434.3	431.1	429.7	4,890.0
Beginning commercial stocks	210.9	233.9	229.2	233.4	252.1	252.9	248.9	260.2	236.1	241.0	219.0	223.0	210.9
Imports	20.6	28.6	32.8	34.5	33.6	26.9	34.6	30.3	32.4	34.2	40.0	39.7	388.2
Total supply	631.4	637.5	682.7	666.7	704.0	674.1	670.3	695.2	664.9	709.5	690.1	692.4	5,489.1
Utilization:													
Ending commercial stocks	233.9	229.2	233.4	252.1	252.9	248.9	260.2	236.1	241.0	219.0	223.0	236.8	236.8
USDA net removals													
Commercial disappearance	397.5	408.3	449.3	414.6	451.1	425.2	410.1	459.1	423.9	490.5	467.1	455.6	5252.3
Percent change from a year ago	1.7	10.2	-2.4	-2.4	5.1	3.1	-1.9	9.3	6.7	11.2	-1.3	8.2	3.8
Cumulative disappearance	397.5	805.8	1,255.10	1,669.70	2,120.80	2,546.00	2,956.10	3,415.20	3,839.10	4,329.60	4,796.70	5,252.30	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	1255.1			1290.9			1293.1			1413.2			
Percent change from a year ago	2.8			1.9			4.7			5.8			

Commercial disappearance: Other-than-American cheese, 2003

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
	Million pounds												
Supply:													
Production	398.2	367.9	417.2										
Beginning commercial stocks	236.8	247.3	230.2	240.5									
Imports	22.3	26.5	32.2										
Total supply	657.3	641.7	679.6										
Utilization:													
Ending commercial stocks	247.3	230.2	240.5	245.7									
USDA net removals													
Commercial disappearance	410.0	411.5	439.1										
Percent change from a year ago	3.1	0.8	-2.3										
Cumulative disappearance	410.0	821.5	1260.6										
	First quarter			Second quarter			Third quarter			Fourth quarter			
	1260.6												
Percent change from a year ago	0.4												

High Plains Cattle Feeding Simulator

Purchased During	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03
Marketed During	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03
Expenses: (\$/head)													
750 lb. feeder steer	590.40	586.05	591.15	591.90	600.60	613.58	614.03	637.13	649.65	617.78	596.70	582.90	604.13
Total feed, handling, and management charge	109.96	111.59	113.52	122.59	134.50	138.75	132.77	130.63	129.18	129.18	126.77	125.97	128.66
Interest on feeder and 1/2 feed	26.56	26.41	26.66	26.59	27.18	27.80	27.49	28.38	28.86	26.00	25.15	24.61	25.37
Death loss (1% of purchase)	5.90	5.86	5.91	5.92	6.01	6.14	6.14	6.37	6.50	6.18	5.97	5.83	6.04
Marketing 1/	f.o.b.												
Total expenses	732.82	729.91	737.25	746.99	768.28	786.25	780.43	802.51	814.18	779.13	754.59	739.31	764.20
Selling price required to cover: (\$/cwt)													
Feed and feeder cost	60.62	60.39	61.21	62.55	64.96	67.12	66.14	67.99	68.64	65.58	62.54	60.91	63.13
All costs	63.43	63.18	64.04	65.40	67.90	70.15	69.12	71.07	71.75	68.40	65.23	63.53	65.84
Selling price 2/ Net margin	63.41	65.63	65.64	70.21	73.11	73.11	80.39	77.34	78.98	-0.02	2.45	1.60	4.81
Cost per 100 lb. gain:													
Variable cost													
less interest \$/cwt	27.87	28.25	28.73	30.25	33.07	34.11	32.40	31.95	31.64	32.71	32.07	31.85	31.98
Feed costs \$/cwt	26.45	26.84	27.31	28.86	31.66	32.66	30.96	30.46	30.13	31.21	30.63	30.44	30.54
Total costs \$/cwt	34.26	34.61	35.14	36.51	39.47	40.65	38.81	38.57	38.37	38.99	38.15	37.79	38.00
Prices: (\$/cwt)													
Choice feeder steer 750-800 lb. Ok City	77.32	76.74	77.42	77.52	78.68	80.41	80.47	83.55	85.22	80.97	78.16	76.32	79.15
Feed, Prices, High Plains													
Milo \$/cwt	3.25	3.34	3.40	3.77	4.27	4.48	4.21	4.12	4.06	4.06	3.99	3.94	4.08
Corn \$/cwt	3.73	3.83	3.93	4.45	4.90	5.18	4.83	4.68	4.59	4.59	4.55	4.46	4.57
Wheat \$/cwt	4.36	4.25	4.82	5.71	6.26	7.45	7.66	7.22	6.38	6.38	5.91	5.37	5.20
Cottonseed Meal (41%) \$/cwt.	7.47	7.16	7.50	8.13	8.34	8.00	8.06	8.06	7.96	7.96	7.31	7.59	7.20
Alfalfa hay \$/ton	151.00	149.00	143.00	153.00	152.00	153.00	157.00	160.00	160.00	164.00	160.00	146.00	137.00
Interest, annual rate 3/	8.23	8.23	8.23	8.14	8.14	8.14	8.08	8.08	8.08	7.62	7.62	7.62	7.59

1/ Cattle sold f.o.b., 4% shrink.

2/ Steers, 1100-1300 lb, Tx-Okl direct.

3/ Fixed interest rate,
11th District Federal Reserve.

Poultry and egg costs and returns

Date	DECATUR CHICAGO		COST PER POUND		COST PER POUND		NET RETURNS	
	SOYBEAN	No. 2	LIVEWEIGHT BASIS		R.T.C. BASIS		12-CITY	BEFORE
	MEAL	CORN	Feed	Total	Production	Total	PRICE	INTEREST & OVERHEAD
	\$ / ton	\$ / bushel			cents/lb			
BROILERS								
Jan-2002	156.60	2.06	14.64	24.99	32.88	46.98	56.86	9.88
Feb-2002	153.10	2.06	14.45	24.80	32.63	46.73	55.91	9.18
Mar-2002	160.50	2.05	14.54	24.89	32.75	46.85	55.17	8.32
Apr-2002	161.60	2.03	14.45	24.80	32.63	46.73	53.47	6.74
May-2002	164.30	2.08	14.62	24.97	32.85	46.95	56.42	9.47
June-2002	170.30	2.15	14.60	24.95	32.82	46.92	58.44	11.52
July-2002	187.50	2.33	14.79	25.14	33.08	47.18	57.47	10.29
Aug-2002	186.25	2.63	15.11	25.46	33.51	47.61	55.72	8.11
Sept-2002	185.50	2.70	16.00	26.35	34.67	48.77	55.88	7.11
Oct-2002	168.20	2.58	16.69	27.04	35.58	49.68	52.97	3.29
Nov-2002	163.20	2.47	16.84	27.19	35.78	49.88	53.42	3.54
Dec-2002	163.60	2.41	16.10	26.45	34.81	48.91	54.74	5.83
Jan-2003	167.40	2.41	15.71	26.06	34.28	48.38	60.46	12.08
Feb-2003	176.80	2.43	15.57	25.92	34.11	48.21	60.49	12.28
Mar-2003	175.40	2.43	15.67	26.02	34.24	48.34	60.02	11.68
Apr-2003	182.10	2.48	15.96	26.31	34.62	48.72	57.78	9.06
3-REGION WHOLESALE PRICE								
TURKEYS								
Jan-2002	156.60	2.06	19.96	33.66	42.08	58.38	59.00	0.63
Feb-2002	153.10	2.06	20.07	33.77	42.21	58.51	58.20	-0.32
Mar-2002	160.50	2.05	19.70	33.40	41.75	58.05	56.89	-1.17
Apr-2002	161.60	2.03	19.86	33.56	41.94	58.24	56.70	-1.54
May-2002	164.30	2.08	19.69	33.39	41.74	58.04	60.61	2.57
June-2002	170.30	2.15	20.00	33.70	42.13	58.43	62.43	4.00
July-2002	187.50	2.33	19.98	33.68	42.09	58.39	63.13	4.74
Aug-2002	186.25	2.63	20.30	34.00	42.50	58.80	62.88	4.08
Sept-2002	185.50	2.70	20.87	34.57	43.21	59.51	62.24	2.73
Oct-2002	168.20	2.58	22.41	36.11	45.13	61.43	62.51	1.08
Nov-2002	163.20	2.47	23.54	37.24	46.55	62.85	65.03	2.18
Dec-2002	163.60	2.41	23.79	37.49	46.86	63.16	63.40	0.24
Jan-2003	167.40	2.41	22.48	36.18	45.23	61.53	59.23	-2.30
Feb-2003	176.80	2.43	21.80	35.50	44.38	60.68	59.21	-1.47
Mar-2003	175.40	2.43	21.58	35.28	44.11	60.41	59.72	-0.68
Apr-2003	182.10	2.48	21.77	35.47	44.33	60.63	59.90	-0.74
WHOLESALE								
EGGS								
			FEED COST	TOTAL Production	TOTAL COST	12-METRO PRICE		
Jan-2002	156.60	2.06	24.35	42.55	63.05	72.31		9.26
Feb-2002	153.10	2.06	24.51	42.71	63.21	63.17		-0.03
Mar-2002	160.50	2.05	24.37	42.57	63.07	79.57		16.50
Apr-2002	161.60	2.03	24.60	42.80	63.30	60.38		-2.93
May-2002	164.30	2.08	24.52	42.72	63.22	55.79		-7.44
June-2002	170.30	2.15	24.94	43.14	63.64	68.79		5.15
July-2002	187.50	2.33	25.61	43.81	64.31	63.80		-0.52
Aug-2002	186.25	2.63	27.42	45.62	66.12	70.05		3.93
Sept-2002	185.50	2.70	29.21	47.41	67.91	65.11		-2.81
Oct-2002	168.20	2.58	29.61	47.81	68.31	66.18		-2.13
Nov-2002	163.20	2.47	28.17	46.37	66.87	85.75		18.87
Dec-2002	163.60	2.41	27.30	45.50	66.00	80.06		14.06
Jan-2003	167.40	2.41	26.94	45.14	65.64	79.50		13.86
Feb-2003	176.80	2.43	27.10	45.30	65.80	74.25		8.45
Mar-2003	175.40	2.43	27.60	45.80	66.30	80.00		13.70
Apr-2003	182.10	2.48	27.54	45.74	66.24	74.70		8.46

NOTE - These statistical series were developed to estimate the net returns for a specific basic product (whole broilers and turkeys, and large carton egg). They are not intended as estimates of the net returns for all products produced by the broiler, turkey, or egg industries or by individual firms.